



Sean Rogan
Executive Director

**HOUSING AUTHORITY
of the County of Los Angeles**

Administrative Office

2 Coral Circle • Monterey Park, CA 91755

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Gloria Molina
Mark Ridley-Thomas
Zev Yaroslavsky
Don Knabe
Michael D. Antonovich
Commissioners

**AGENDA
FOR THE REGULAR MEETING OF THE
LOS ANGELES COUNTY HOUSING COMMISSION
WEDNESDAY, MAY 27, 2009
12:00 NOON
HEADQUARTERS
2 CORAL CIRCLE
MONTEREY PARK, CA 91790
(323) 890-7001**

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1. Call to Order

2. Roll Call

Severyn Aszkenazy, Chair
Lynn Caffrey Gabriel, Vice Chair
Adriana Martinez
Henry Porter, Jr.
Alberta Parrish

3. Reading and Approval of the Minutes of the Previous Meetings

Regular Meeting of April 22, 2009

4. Report of the Executive Director

5. Public Comments

The public may speak on matters that are within the jurisdiction of the Housing Commission. Each person is limited to three minutes.

6. Staff Presentations

Crime and Safety Unit Presentation – Betsy Lindsay

Quarterly Construction Contract Status Report – Geoffrey Siebens



Regular Agenda

7. Authorize Memorandum of Understanding Between the Housing Authority and the Regents of the University of California (All Districts)

Recommend that the Board of Commissioners find that the Memorandum of Understanding (MOU) between the Housing Authority and the Regents of the University of California is not subject to the provisions of CEQA; approve and authorize the Executive Director to execute an MOU in the amount of \$430,000 with the Regents of the University of California to continue Cooperative Extension program services; and authorize the Executive Director to execute an MOU containing mutual indemnity and other contract provisions; authorize the Executive Director to execute future MOUs between the Housing Authority and the Regents of the University of California containing the same or substantially similar contract provisions as those contained in the present MOU. (APPROVE)

8. Accept Resident Opportunities and Self-Sufficiency Service Coordinators Grant from the U.S. Department of Housing and Urban Development (All Districts)

Recommend that the Board of Commissioners find that acceptance of the Resident Opportunities and Self-Sufficiency Resident Service Coordinators Program funds is not subject to the provisions of CEQA; authorize the Executive Director to accept from the U.S. Department of Housing and Urban Development a \$720,000 grant of Resident Opportunities and Self-Sufficiency Service Coordinators Program funds, which will be used to implement a three-year supportive services program that fosters economic independence and housing self-sufficiency for families and promotes independent living for seniors residing at three conventional public housing sites. (APPROVE)

9. Award Three Contracts to Provide Electrical Services at Housing Developments Countywide (All Districts)

Recommend that the Board of Commissioners find that the approval of service contracts for electrical services is exempt from the provisions of CEQA; approve and authorize the Executive Director to execute, administer, implement and if necessary terminate one-year Electrical Service contracts with Up-Grade Electrical, Inc., Stephan Jones Electric, and Automated Switching & Controls, Inc., in an aggregate amount not to exceed \$50,000, to provide electrical services for the Housing Authority; authorize the Executive Director to execute amendments to the Contracts and to extend the time of performance for up to four years, in one-year increments, at the same aggregate annual cost of \$50,000, using funds to be approved through the annual budget process. (APPROVE)

10. Award Contract to Provide Landscape Maintenance Services (All Districts)

Recommend that the Board of Commissioners find that the approval of a contract for necessary landscape maintenance services is exempt from the provisions of the CEQA; approve and authorize the Executive Director to execute, administer, implement and if necessary terminate a one-year Landscape Maintenance Service contract with Parkwood Landscape Maintenance, Inc., in an amount not to exceed \$1,253,053, to provide necessary landscape maintenance services for the Housing Authority; authorize the Executive Director to execute amendments to increase the total amount of compensation by up to ten percent to cover unforeseen costs, modify the scope of work to address unforeseen issues, or make other non-monetary changes necessary for the administration and implementation of the Contract; and to extend the time of performance for up to four years, in one-year increments, at the same annual cost, using funds to be approved through the annual budget process. (APPROVE)

11. Approve the Transfer of General Fund Reserves from the Community Development Commission to the Housing Authority of the County of Los Angeles Section 8 Administrative Reserves

Recommend that the Board of Commissioners authorize the Executive Director to accept from the Commission \$2,953,443 in general fund reserves to be transferred into the Housing Authority's Section 8 administrative reserves for Fiscal Year 2008-2009; and find that the acceptance of funds is not subject to CEQA. (APPROVE)

12. Housing Commissioners Comments and Recommendations for Future Agenda Items

Housing Commissioners may provide comments or suggestions for future Agenda items.

Copies of the preceding agenda items are on file and are available for public inspection between 8:00 a.m. and 5:00 p.m., Monday through Friday, at the Housing Authority's main office located at 2 Coral Circle in the City of Monterey Park. Access to the agenda and supporting documents is also available on the Housing Authority's website.

Agendas in Braille are available upon request. American Sign Language (ASL) interpreters, or reasonable modifications to Housing Commission meeting policies and/or procedures, to assist members of the disabled community who would like to request a disability-related accommodation in addressing the Commission, are available if requested at least three business days prior to the Board meeting. Later requests will be accommodated to the extent possible. Please contact the Executive Office of the Housing Authority by phone at (323) 838-5051, or by e-mail at marisol.ramirez@lacdc.org, from 8:00 a.m. to 5:00 p.m., Monday through Friday.

THE HOUSING AUTHORITY OF THE COUNTY OF LOS ANGELES
MINUTES FOR THE REGULAR MEETING OF THE
LOS ANGELES COUNTY HOUSING COMMISSION

Wednesday, April 22, 2009

The meeting was convened at the Housing Authority office located at 12131 Telegraph Road, Santa Fe Springs, California.

Digest of the meeting. The Minutes are being reported seriatim. A taped record is on file at the main office of the Housing Authority.

The meeting was called to order by Vice Chair Lynn Caffrey Gabriel at **12:09** p.m.

ROLL CALL	<u>Present</u>	<u>Absent</u>
Severyn Aszkenazy, Chair		X
Lynn Caffrey Gabriel, Vice Chair	X	
Adriana Martinez	X	
Henry Porter, Jr.	X	
Philip Dauk	X	
Alberta Parrish	X	

PARTIAL LIST OF STAFF PRESENT:

Margarita Lares, Director, Assisted Housing
Maria Badrakhan, Acting Assistant Executive Director, Housing Programs
Esther Keosababian, Acting Director, Housing Management
Emilio Salas, Director, Administrative Services

GUESTS PRESENT:

William Falcone, Kings Road Housing Development resident

Reading and Approval of the Minutes of the Previous Meeting

On Motion by Commissioner Porter, seconded by Commissioner Martinez, the Minutes of the Regular Meeting of February 25, 2009, were approved.

Agenda Item No. 4 - Report of the Executive Director

Maria Badrakhan, Acting Assistant Executive Director, announced that Marcie Miranda, Housing Management Manager, was elected Vice President of the Housing Authority Association of Southern California.

Agenda Item No. 5 – Public Comments

William Falcone, Kings Road resident, spoke regarding his inability to transfer to the San Francisco Housing Authority Section 8 program from his current public housing status. Ms. Darlene Aikens, Assisted Housing Manager, responded to his concerns.

Agenda Item No. 6 - Staff Presentations

The following staff presented reports and responded to questions from the Commissioners: Marcie Miranda, Housing Management; Linda Jenkins, Community Development Block Grant; Esther Keosababian, Housing Management; Margarita Lares, Assisted Housing; and Emilio Salas, Administrative Services.

Regular Agenda

On Motion by Commissioner Porter, seconded by Commissioner Dauk, and unanimously carried, the following consent items were approved by the Housing Commission:

**CONCUR WITH APPROVAL OF CONSTRUCTION CONTRACT FOR
SUNDANCE VISTA LANDSCAPE AND IRRIGATION PROJECT IN
UNINCORPORATED WHITTIER (DISTRICT 1)
AGENDA ITEM NO. 7**

1. Concur with the Board of Supervisors and Commissioners' approval of a Contract for landscape and irrigation improvements at the Sundance Vista housing development, and finding that the Contract is exempt from the California Environmental Quality Act because the work includes activities that will not have the potential for causing a significant effect on the environment.
2. Concur with the Board of Supervisors and Commissioners' authorization for the Acting Executive Director to execute a Contract in the amount of \$111,286 with Belaire-West Landscape, Inc. to complete landscape and irrigation improvements at the Sundance Vista housing development, following approval as to form by County Counsel, to be effective upon issuance of the Notice to Proceed, which will not exceed 30 days following the date of Board approval.
3. Concur with the Board of Supervisors and Commissioners' authorization for the Acting Executive Director to use a total of \$111,286 in Capital Fund Program funds allocated by the U.S. Department of Housing and Urban Development and included in the Housing Authority's Fiscal Year 2008-2009 budget; and authorize the Acting Executive Director to approve Contract change orders not exceeding \$22,257 for unforeseen project costs, using the same source of funds.

**CONCUR WITH APPROVAL OF CONSTRUCTION CONTRACT FOR
WOODCREST I AND II ROOFING AND EXTERIOR IMPROVEMENTS
PROJECT IN UNINCORPORATED WEST ATHENS/WESTMONT (DISTRICT 2)
AGENDA ITEM NO. 8**

1. Concur with the Board of Supervisors and Commissioners' approval of a Contract for roofing replacement and exterior improvements at the Woodcrest I and II housing developments, and finding that the Contract is exempt from the provisions of the California Environmental Quality Act because the work includes activities that will not have the potential for causing a significant effect on the environment.
2. Concur with the Board of Supervisors and Commissioners' authorization for the Acting Executive Director to execute a Contract in the amount of \$248,770 with Spec Construction Co., Inc. to complete roofing replacement and exterior improvements at the Woodcrest I and II housing developments, following approval as to form by County Counsel, to be effective upon issuance of the Notice to Proceed, which will not exceed 30 days following the date of Board approval.
3. Concur with the Board of Supervisors and Commissioners' authorization for the Acting Executive Director to use a total of \$248,770, comprised of \$47,000 in Community Development Block Grant funds and \$201,770 in Capital Fund Program (CFP) funds allocated by the U.S. Department of Housing and Urban Development, included in the Housing Authority's Fiscal Year 2008-2009 budget; and authorize the Acting Executive Director to approve Contract change orders not exceeding \$62,192 for unforeseen project costs, using CFP funds.

**CONCUR WITH APPROVAL OF REPAYMENT AGREEMENT WITH THE U.S.
DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT OFFICE OF
INSPECTOR GENERAL AUDIT FOR THE HOUSING CHOICE VOUCHER
PROGRAM (ALL DISTRICTS)
AGENDA ITEM NO. 9**

1. Concur with the Board of Supervisors and Commissioners' approval of a Repayment Agreement for the Housing Choice Voucher Program, as described herein, and finding that the Repayment Agreement is not subject to the provisions of the California Environment Quality Act (CEQA) because the activity is not defined as a project under CEQA.
2. Concur with the Board of Supervisors and Commissioners' adoption and instruction that the Chairman sign the attached Resolution approving the repayment of \$1,000,000 in Housing Choice Voucher Program administrative fees to the U.S. Department of Housing Urban Development (HUD) as required by HUD's final audit report.

3. Concur with the Board of Supervisors and Commissioners' approval of the attached Repayment Agreement to reimburse HUD for \$1,000,000 in Housing Choice Voucher Program administrative fees.
4. Concur with the Board of Supervisors and Commissioners' instruction that the Acting Executive Director sign and submit the attached Repayment Agreement to HUD, and take all actions required for its implementation.

CONCUR WITH THE AWARD OF A RECERTIFICATION SERVICES
CONTRACT FOR THE HOUSING CHOICE VOUCHER PROGRAM
(ALL DISTRICTS)
AGENDA ITEM NO. 10

1. Concur with the Board of Supervisors and Commissioners' approval of the award of a recertification services contract (Contract) for the Housing Choice Voucher Program, and finding that the contract is not subject to the California Environment Quality Act (CEQA) because the activity is not defined as a project under CEQA.
2. Concur with the Board of Supervisors and Commissioners' authorization for the Acting Executive Director to execute a one-year Contract with McKay Management Services, attached in substantially final form, for recertification services for the Housing Choice Voucher (Section 8) Program; and authorize the Acting Executive Director to use for this purpose a total of \$751,840 in Section 8 Administrative Reserves.
3. Concur with the Board of Supervisors and Commissioners' authorization that the Acting Executive Director amend the Contract as necessary and to allow a 10% contingency if necessary to meet the goals of the Housing Choice Voucher Program, as related to this recertification project, using Section 8 Administrative Reserves.

CONCUR WITH APPROVAL OF A RELOCATION PLAN, DECLARATION OF
BLIGHT, AND INITIATION OF EVICTION PROCEEDINGS, AS NEEDED, FOR
THE UJIMA VILLAGE HOUSING DEVELOPMENT (DISTRICT 2)
AGENDA ITEM NO. 11

1. Concur with the Board of Supervisors and Commissioners' approval of the Ujima Village Relocation Plan, and finding that the plan is not subject to the California Environmental Quality Act, because the actions will not have the potential for causing a significant effect on the environment.
2. Concur with the Board of Supervisors and Commissioners' declaration that the Ujima Village Housing Development, a 300-unit affordable housing complex in the unincorporated Willowbrook area, is blighted based on soil and building conditions.

3. Concur with the Board of Supervisors and Commissioners' approval of the attached Ujima Village Relocation Plan to help the remaining tenants of the Ujima Village Housing Development secure replacement housing in anticipation of the property's closure.
4. Concur with the Board of Supervisors and Commissioners' authorization for the Acting Executive Director to begin issuing 90-day notices to vacate the property, pursuant to the requirements of the Uniform Relocation Act.
5. Concur with the Board of Supervisors and Commissioners' instruction that the Acting Executive Director initiate the environmental review process for disposition of the site, as required under the California Environmental Quality Act and the National Environmental Policy Act.
6. Concur with the Board of Supervisors and Commissioners' instruction that the Acting Executive Director, as part of the environmental review process, to consider the expansion of the Earvin "Magic" Johnson Recreation Area as one of the possible alternative uses for of the Ujima Village site.

On Motion by Commissioner Porter, seconded by Commissioner Martinez, and unanimously carried, the following was approved by the Housing Commission:

APPROVE AMENDMENTS TO COUNTYWIDE ASBESTOS AND LEAD
CONSULTING SERVICES AGREEMENTS (ALL DISTRICTS)
AGENDA ITEM NO. 12

1. Recommend that the Board of Commissioners find that approval of amendments to the Agreements, described herein, is not subject to the provisions of the California Environmental Quality Act because the action will not have the potential for causing a significant effect on the environment.
2. Recommend that the Board of Commissioners approve and authorize the Acting Executive Director to execute amendments to the Housing Authority's eight Asbestos and Lead Consulting Services Agreements, following approval as to form by County Counsel, to extend the Agreements for two years, in one year increments, at an aggregate amount of \$80,000 per year.
3. Recommend that the Board of Commissioners authorize the Acting Executive Director to incorporate \$80,000 into the Housing Authority's Fiscal Year 2008-2009 budget for the second year of the Agreements.

4. Recommend that the Board of Commissioners authorize the Acting Executive Director to increase the aggregate compensation amount for each year by up to \$8,000 for any unforeseen costs.

On Motion by Commissioner Porter, seconded by Commissioner Dauk, and unanimously carried, the following was approved by the Housing Commission:

ACCEPTANCE OF COMMUNITY DEVELOPMENT BLOCK GRANT FUNDS
FOR PROJECTS IDENTIFIED THE 2009-2010 ACTION PLAN FOR THE
ALLOCATION OF FEDERAL FUNDS (ALL DISTRICTS)
AGENDA ITEM NO. 13

1. Recommend that the Board of Commissioners find that the acceptance of Fiscal Year 2009-2010 Community Development Block Grant (CDBG) funds from the Community Development Commission (Commission) is not subject to the provisions of the California Environmental Quality Act (CEQA), as described herein, because the activities are not defined as a project under CEQA
2. Recommend that the Board of Commissioners authorize the Housing Authority to accept from the Commission an estimated \$605,000 in Fiscal Year 2009-2010 Community Development Block Grant (CDBG) funds, and to continue administration of \$3,036,874 in prior year CDBG funds, which will be requested for incorporation into the Housing Authority's Fiscal Year 2009-2010 budget through the Housing Authority's annual budget approval process subject to final notification of approval by the U.S. Department of Housing and Urban Development (HUD).

On Motion by Commissioner Martinez, seconded by Commissioner Porter, and unanimously carried, the following was approved by the Housing Commission:

APPROVE AN ELEVATOR CONSULTING SERVICES AGREEMENT FOR
ELEVATOR MODERNIZATION AT THE HERBERT SENIOR HOUSING
DEVELOPMENT IN UNINCORPORATED EAST LOS ANGELES (DISTRICT 1)
AGENDA ITEM NO. 14

1. Recommend that the Board of Commissioners find that the approval of an Agreement to provide evaluation and design consulting services is not subject to the provisions of the California Environmental Quality Act because the work includes activities that will not have the potential for causing a significant effect on the environment.

2. Recommend that the Board of Commissioners approve and authorize the Acting Executive Director to execute an Agreement in the amount of \$68,880 with IDS Group Inc. to complete design services for one new hydraulic elevator and the modernization of one existing elevator at the Herbert senior housing development, following approval as to form by County Counsel, to be effective upon issuance of the Notice to Proceed, which will not exceed 30 days following the date of Board approval.
3. Recommend that the Board of Commissioners authorize the Acting Executive Director to use for this purpose \$68,880 in Capital Funds Program funds allocated by the U.S. Department of Housing and Urban Development and included in the Housing Authority's approved Fiscal Year 2008-2009 budget; and authorize the Acting Executive Director to approve Contract change orders up to \$13,776 for unforeseen project costs, using the same source of funds, following approval as to form by County Counsel.

On Motion by Commissioner Martinez, seconded by Commissioner Porter, and unanimously carried, the following was approved by the Housing Commission:

APPROVE VIDEO SURVEILLANCE SYSTEMS INSTALLATION AND
MAINTENANCE CONTRACT FOR FIVE HOUSING DEVELOPMENTS IN
UNINCORPORATED WEST ATHENS, UNINCORPORATED QUARTZ HILL,
AND THE CITY OF SANTA MONICA (DISTRICTS 2, 3, 5)
AGENDA ITEM NO. 15

1. Recommend that the Board of Commissioners find that the installation of video surveillance equipment is exempt from the California Environmental Quality Act because the activities will not have the potential for causing a significant effect on the enforcement.
2. Recommend that the Board of Commissioners approve and authorize the Acting Executive Director to execute a Contract in the amount of \$219,421 with West Beach Systems for the provision, installation, monitoring and maintenance of video surveillance equipment at the following five housing developments: Normandie Apartments in unincorporated West Athens, Quartz Hill I and II in unincorporated Quartz Hill, and 9th and 20th Street Apartments in the City of Santa Monica.
3. Recommend that the Board of Commissioners authorize the Acting Executive Director to use a total of \$219,421, comprised of \$100,000 in Community Development Block Grant countywide funds and \$33,673 in Capital Fund Program (CFP) funds allocated by the U.S. Department of Housing and Urban Development (HUD), and \$85,748 in Rental Housing Construction Program (RHCP) program revenue allocated by the State of California; and authorize the Acting Executive Director to approve

Contract changes up to \$21,942 for unforeseen project costs, using CFP funds and RHCP program revenue, and following approval as to form by County Counsel.

On Motion by Commissioner Martinez, seconded by Commissioner Dauk, and unanimously carried, the following was approved by the Housing Commission:

**APPROVE CONSTRUCTION CONTRACT FOR ELEVATOR MODERNIZATION
AT THE KINGS ROAD SENIOR HOUSING DEVELOPMENT IN THE CITY OF
WEST HOLLYWOOD (DISTRICT 3)
AGENDA ITEM NO. 16**

1. Recommend that the Board of Commissioners find that the approval of a Contract for elevator modernization is exempt from the provisions of the California Environmental Quality Act because the work includes activities that will not have the potential for causing a significant effect on the environment.
2. Recommend that the Board of Commissioners approve and authorize the Acting Executive Director to execute a Contract in the amount of \$791,600 with M.L. Construction to modernize four elevators at the Kings Road senior housing development, following approval as to form by County Counsel, to be effective upon issuance of the Notice to Proceed, which will not exceed 30 days following the date of Board approval.
3. Recommend that the Board of Commissioners authorize the Acting Executive Director to use a total of \$791,600 from the Reserve for Replacement Fund, comprised of rental revenue and housing assistance payments and included in the Housing Authority's approved Fiscal Year 2008-2009 budget; and authorize the Acting Executive Director to approve Contract change orders up to \$158,320 for unforeseen project costs, using the same source of funds, following approval as to form by County Counsel.

On Motion by Commissioner Porter, seconded by Commissioner Martinez, and unanimously carried, the following was approved by the Housing Commission:

**APPROVE THE HOUSING AUTHORITY OF THE COUNTY OF LOS ANGELES
FISCAL YEAR 2009-2010 BUDGET
AGENDA ITEM NO. 17**

1. Recommend that the Board of Commissioners adopt and instruct the Chairman to sign a Resolution (Attachment A) approving the Housing Authority of the County of Los Angeles (Housing Authority) Fiscal Year

2009-2010 Budget (Budget), which includes revenues and expenditures of \$309,908,000.

2. Recommend that the Chairman of the Board of Commissioners sign the related Transmittal Resolution (Attachment B) certifying submission of the budget by the Board to the U.S. Department of Housing and Urban Development (HUD).
3. Recommend that the Board of Commissioners adopt and instruct the Chairman to sign a Resolution (Attachment C) approving the cost allocation model developed in conjunction with the Housing Authority's external auditors, Klynveld Peat Marwick Goerdeler (KPMG), in April 2002.
4. Recommend that the Board of Commissioners instruct the Acting Executive Director to implement the Budget and take all related actions, including execution of all required documents, for the purposes described herein, following approval as to form by County Counsel.
5. Recommend that the Board of Commissioners approve the transfer of the Traffic Violator School Monitoring (TVSM) program from the Housing Authority to the Community Development Commission (Commission) and take all necessary steps to implement said transfer, including execution of all necessary documents, subject to consent by the Los Angeles County Superior Court and the Los Angeles County Sheriff's Department, and review and approval by County Counsel.
6. Recommend that the Board of Commissioners find that the approval of the Budget is not subject to the California Environmental Quality Act (CEQA), as described herein, because the activities are not defined as a project under CEQA.

Agenda Item No. 18 – Housing Commissioner Comments and Recommendations for Future Agenda Items

Commissioner Porter requested a brief summary on the use of the American Recovery and Reinvestment Act funds.

Commissioner Dauk announced that he tendered his resignation effective immediately. He commended staff for doing an outstanding job through the many challenges.

Commissioner Porter expressed his appreciation for Commissioner Dauk's years of service to the Housing Commission.

Ms. Badrakhn added that she hopes to see Commissioner Dauk at the next Housing Commission meeting to honor him with a plaque for his years of service.

On Motion by Commissioner Porter the Regular Meeting of April 22, 2009, was adjourned at 1:35 p.m.

Respectfully submitted,

for *Bobette A. Glover*
SEAN ROGAN
Executive Director
Secretary –Treasurer

News Articles

Los Angeles Times

<http://www.latimes.com/news/nationworld/nation/la-fi-dollarhome12-2009apr12,1.7570148.story>
From the Los Angeles Times

A TIMES INVESTIGATION

HUD's Dollar Homes falls short of mission

The federal program sets out to help poor families buy homes. Instead, housing contractors and investors are reaping the benefits, records show.

By William Heisel

April 12, 2009

Jerry and Carol Ptacek bounced from one cramped apartment to another most of their adult lives, so they could hardly believe their luck when they were able to buy a San Bernardino house for the bargain price of \$63,000.

Nine years later, they are renters again -- a testament to the failure of the federal government's Dollar Homes program.

Congress launched the program in 1998 to clear the Department of Housing and Urban Development's books of foreclosures and provide affordable housing. Local governments would buy the homes for \$1, fix them up and resell them at a discount to poor families, who would get a chance to put down roots in the community.

At least that's how it was supposed to work.

A Times investigation has found that the Dollar Homes program has helped housing contractors and investors, but there is no evidence that it has provided any lasting benefit to people like the Ptaceks. The findings offer a cautionary tale as the Obama administration works to craft similar efforts to help communities ravaged by the housing slump.

"This is bad for taxpayers on both sides of the transaction," said Dean Baker, co-director of the Center for Economic and Policy Research in Washington.

More than 2,300 homes have been sold by HUD for \$1 each nationwide, with 326 in California. Nearly half of the homes in California were bought by companies or individuals who typically resold them at a much higher price. Only 15% were sold to nonprofit housing groups such as Habitat for Humanity, records show.

The city of San Bernardino bought more Dollar Homes -- 62 -- than any other city or county in the state. But San Bernardino officials could not provide The Times with any account of what happened to the homes after they were sold.

"They went back to the private market, and hopefully they were maintained and kept up," said Carey Jenkins, the housing director of San Bernardino's economic development agency, which oversees the city's Dollar Homes purchases. "And that was pretty much the end of our involvement."

Using county property tax and assessor records, federal bankruptcy files and real estate listings, The Times tracked every property sale to San Bernardino under the program since 2000. Among the findings:

- * At least 43 of the 62 homes were sold to housing contractors and investors. Within months after purchase, nearly all were resold, and for an average of three times the original sales price.

- * The homes continued to change hands frequently. Some homes have been bought and sold eight times in as

many years, defeating the intent of the program to encourage buyers to put down roots and revive downtrodden neighborhoods.

- * Instead of continuing to provide opportunities for low-income buyers, these homes have become priced beyond their reach, shooting up more than 450% in value from 2000 to 2008, based on sale prices. Moreover, there are no rules to ensure the homes remain affordable when they are resold.

- * Nearly half of homes ended up with buyers who struggled with homeownership, missing property tax payments, defaulting on their loans, and in at least nine cases falling into foreclosure.

- * The program goes unmonitored. Cities are by law required to give HUD detailed accounts of who bought the homes and for how much. But in at least 31 cases, San Bernardino provided inaccurate information, incorrectly listing either the buyer or the sale price, the review found.

HUD officials said that because the Dollar Homes program was mandated by Congress, it does not receive the same type of attention and follow-up as programs created by HUD itself.

"You have to keep in mind that this program wasn't created for success," said Vance Morris, the director of HUD's office of single-family asset management, which oversees the Dollar Homes program. "Sometimes you have programs created for success and others that were created to be compliant with the law. In this case, we are just complying with the law."

Morris also said that new rules were being written for all homes sold by HUD at a low cost, and should be implemented this year.

In 1997, Jerry Ptacek was unloading concrete off the back of a flatbed truck when he lost his balance and fell, wrenching his back and hips. Despite several surgeries, he has walked with a cane ever since. His disability payments and a few odd jobs pay the bills. His wife, Carol, also has been declared permanently disabled after years of struggling with depression.

Getting by on Social Security checks, currently about \$1,600 a month, the Ptaceks figured they were never going to own a home.

Their luck changed in 2000 when a real estate agent steered them to a two-bedroom home on Conejo Drive in San Bernardino. The price was right: \$63,000, with just \$500 down. They said they had no idea it had been foreclosed on by HUD and that it had been sold to the city for \$1.

The home had fallen into HUD's hands when the borrowers defaulted on their federally guaranteed loan in 1998. San Bernardino acquired it under the Dollar Homes program and sold it for \$2,000 to Schechtman Construction of Riverside, one of several companies that had applied with San Bernardino to buy and repair Dollar Homes and other HUD-owned properties, records show.

The city required that these companies make repairs noted by a city inspector and that they sell the homes to low-income families when they were finished. But San Bernardino did not screen the buyers to make sure they met any income requirements, Jenkins of the city housing department acknowledged. Nor did HUD place any restrictions on the local governments after they bought the homes for \$1.

The Ptaceks said they started the process of buying the home in August 2000 while Schechtman was working on it. When they took possession that November, they said they had presumed the home had been completely overhauled. But it still needed substantial repairs, they said.

They say that the home's electrical wiring was connected to one circuit breaker and that the plumbing leaked. The home's one bathroom didn't have a window, they said; it had been covered up with stucco from the outside.

Los Angeles Times: HUD's Dollar Homes falls short of mission

"It seemed like once we got through fixing one thing, we would have to turn around and fix something else," Jerry Ptacek said.

Steve Schechtman, the construction company's owner, said he made costly repairs, although he said he could not recall specifically what was done and no longer had records on how much was spent. He also noted that city inspectors had signed off on the work.

"How much more could we have possibly done to put people with marginal incomes into a home?" Schechtman said. "There is no justification for saying anything other than that we did a fabulous job."

To cover the costs of repairs and other improvements, the Ptaceks said they refinanced their home several times, so that by July 2006 they owed more than \$220,000 on the home they had bought for \$63,000. One of their loan brokers, La Verne Scruggs of Inglewood, supported the Ptaceks' account that the home needed extensive repairs. But the Ptaceks acknowledged that they too made mistakes.

One was to get a negative amortization loan, which kept their monthly payments artificially low, but at the cost of adding to the principal they owed. They also gambled thousands of dollars from their home equity at Indian casinos, they acknowledge.

"They never should have been allowed to buy that house in the first place," Scruggs, the loan broker, said. "That house needed a lot of work, and they didn't have the money to do the work."

The Ptaceks obtained their loans in the now-ended era of easy financing. The institutions that fronted the money for Dollar Homes purchases -- New Century Financial Corp., Ameriquest Mortgage Co., Washington Mutual Inc. and Countrywide Financial Corp. among them -- ultimately collapsed under the weight of soured mortgage loans.

Before they fell, lenders benefited in two ways. First, HUD bought their bad loans and got them off their books, taking over the homes that the agency later sold for \$1.

Secondly, when the same homes were resold, these same lenders often provided the mortgages. In one example, Union Planters Bank, which is now part of Regions Bank in Tennessee, foreclosed on a Barstow home for \$66,000 in 1999. HUD covered the bank's losses, and then sold the home to Barstow for \$1.

When the home was sold in 2001 to a buyer, Union Planters provided a \$38,000 loan, records show. So the bank was able to shove a bad loan off its books and onto the federal government and turn around and secure the income from a new loan on the same home just a few years later.

The Ptaceks refinanced their first loan in November 2003 with Ameriquest, which charged them a 9.9% interest rate. In June 2007, the Ptaceks decided they could no longer make their payments, and they signed the home over for nothing to Scruggs, the mortgage broker who had first helped them refinance, and her husband. They now rent the home from the Scruggses.

When Scruggs decides to resell the home, there will be no restriction on her to price it for low- or moderate-income buyers. A few blocks from the Conejo Drive house, a Dollar Homes residence that was sold by the city for \$27,000 to an investor was resold several times before being sold for \$355,000 less than six years later. The final buyer ended up in foreclosure.

Housing advocates say HUD has done a poor job of overseeing the program. The Times asked HUD for all documents that San Bernardino had provided to the agency as part of its annual reporting requirement through the program. It provided eight pages, mostly listings of property addresses and buyers.

These lists were peppered with inaccuracies. The city told HUD that in most cases it sold the homes directly to first-time home buyers, such as the Ptaceks. It did not mention to HUD that it had actually sold these homes to developers like Schechtman.

The Ptaceks did not realize until they were contacted by The Times that the home was sold under a government program.

"The only time I've seen someone from the city out here was when there was a code enforcement guy telling me I had too much dirt next to my driveway," Jerry Ptacek said.

Housing advocates such as the Rev. David Kalke, executive director of the Central City Lutheran Mission in San Bernardino, think cities could better serve poor people if they used the homes for subsidized housing and tapped nonprofits for the rehabilitation work.

The mission bought two of the Dollar Homes residences for \$2,000 in 2001 and turned them into low-income rental housing for homeless people with HIV.

Because of the grants he receives from HUD to help subsidize the program, Kalke said he has to provide extensive documentation every month on how he spends the money. His homes are two of only three that were sold to nonprofit groups in the city.

"Sometimes the government doesn't do things very brightly, and the people who are supposed to be helped end up being hurt," Kalke said. "This kind of initiative could be supported in a much bigger way for less money."

The Ptaceks say they wish they'd never tried to buy a home. They would have been better off renting, they said, and are now trying to qualify for federal rental assistance funds.

Sitting in the living room under a portrait of Jesus, "The Jerry Springer Show" blaring on the TV, the couple look defeated.

"I've started going back to church," Carol Ptacek says. "This whole thing has just been so hard. Praying helps, but it doesn't pay our bills."

Jerry stares blankly at his wife as she talks, leaning against a shelf full of DVDs, many of them Disney films. Their economic situation is so bad, she explains, that the Ptaceks have started watching their friends' kids in exchange for groceries.

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Report: L.A. County staff fraud found

*This story appeared in the Antelope Valley Press
Monday, April 13, 2009.*

By JAMES RUFUS KOREN
Valley Press Staff Writer

LOS ANGELES - Los Angeles County employees and contractors have bilked taxpayers out of hundreds of thousands of dollars by falsifying documents, improperly selling information and by simply stealing cash, according to a new report from the county auditor-controller's office.

In the latest report on county fraud, released this week by the auditor's Office of County Investigations, investigators detailed 86 fraud cases they closed in the second half of 2008.

Those fraud cases ranged from the relatively benign - employees using county phones or computers for personal use - to the most malignant.

In the most serious case, an employee from the county clerk's office took in \$47,000 in cash by selling real estate documents. That cost the county \$220,000.

In another case, an employee in the county tax collector's office stole \$16,784 in cash from property tax payments.

Guy Zelenski, the county's chief investigator, said fraud involving cash is always popular.

"Cash is so liquid," he said. "It's an easy commodity to take. We have seen a lot more complaints of people allegedly trying to take cash."

The 86 fraud cases detailed in the report were among 418 total cases the Office of County Investigations closed between July 1 and Dec. 31, 2008. The other 332 cases were either unsubstantiated or were never investigated because they were immaterial.

All the cases are the result of tips from the county's fraud hotline, which encourages county residents and employees to report possible fraud. The system was put in place in 1988.

While Zelenski said he knows of no direct correlation between the nation's economic downturn and the rate of fraud by county employees, he said some more recent complaints could be tied to the economy.

"We have seen allegations of people stealing gasoline," he said. "Gasoline is a very valuable commodity."

The new report details only one case involving theft of gasoline - investigators found that a Department of Mental Health employee stole 120 gallons of gas by filling his tank at a county garage.

Los Angeles Times

<http://www.latimes.com/news/opinion/commentary/la-ow-merlin15-2009apr15,0,3064276.story>
From the Los Angeles Times

Blowback

Lancaster's Section 8 decision

The city isn't against poor people, says a homeowner, but it is against crime and other ills associated with some renters.
By Sarah Shankland Merlin

April 15, 2009

In the April 10 article, "Lancaster proposes limiting Section 8 housing," Larry Gross, executive director of an L.A.-based tenant rights group, is quoted asserting that Lancaster is "putting up a sign on the borders of Lancaster saying that poor people are not welcome here."

No, Mr. Gross. Those of us who actually live in Lancaster are praying that the city will be able somehow to put up a sign saying that if you're a criminal, a vagrant, too lazy to get some kind of job and pay for your own housing, or worse, you're not welcome here.

My husband and I didn't succumb to temptation and get a house we couldn't afford with a ridiculous adjustable-rate mortgage. We bought a house in 2001 that we actually could afford, and helped out a struggling neighborhood by improving our property. What we got in return was a never-ending string of Section 8 renters as neighbors who destroyed the homes they lived in and made our lives unbearable with their neglected pets, trash-strewn yards, domestic violence and deafening urban music at all hours.

Responding to one of the many times we called police for help curtailing the worst of the abuses, a Los Angeles County Sheriff's Department deputy looked shocked when we answered our door one night, saying, "You live here? If I were you, I'd move." Worse, the large apartment complex across the street from our house was nothing more than a safe harbor for criminals who enjoyed government-subsidized housing that made them immune from eviction. The apartment management loved those dependable rent checks and couldn't have cared less what kind of toll its tenants were taking on the community.

For three years, one tenant regularly screamed filthy obscenities at me when I ventured into my frontyard, blasted rock music at all hours (and I, by the way, front a rock band myself — ever been awakened by Metallica on a Sunday morning at 8, Mr. Gross) and entertained a steady stream of vehicle traffic that dropped by daily and stayed for about 10 minutes, on average. Hazard your own guess as to what those visits were about.

During a visit from another deputy, this one in response to a fight that had broken out in that apartment, an officer told us that he was sick to death of answering calls at that location; "I'd like to shoot the [expletive] myself," he said of the occupant.

My husband and I finally fled that neighborhood last fall, moving across town. Our former house will soon become just another like those around it, because we don't care who we sell it to.

So, no, Mr. Gross, Lancaster is not opposed to helping the deserving poor. But neither is the city in a position to tolerate the status quo. Believe me, I know.

Sarah Shankland Merlin has been a homeowner in Lancaster for eight years.

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NAHRO Monitor: April 15, 2009

Final Rent Refinement Rule Takes Effect Sept. 30

On March 27, 2009, HUD published its final "rent refinement" rule, making a number of changes in rent and income calculation procedures for the Section 8 tenant-based, Section 8 project-based, Public Housing and HOME programs. The purpose of HUD's rent refinement rule is to strengthen income and rent integrity, thereby reducing overpayments. The rule, originally scheduled to become effective on March 30, 2009, will now become effective on Sept. 30, 2009. Matters addressed include:

- Income calculation - discretion to use either actual past income or projected future income;
- Social Security Numbers (SSNs) - new household members and waiting list position retained despite failure to provide SSN;
- Citizenship - verification of U.S. citizenship;
- HOME Program - calculation of annual income.

Implementation of the change allowing PHAs the discretion to use past actual income or projected future income represents an important regulatory and administrative improvement to HUD's assisted housing programs. NAHRO supports HUD's effort to simplify the income verification process and render it more accurate. While useful in some respects, existing requirements for manual third-party income verification have been problematic and labor intensive. NAHRO therefore welcomes the introduction of other objective income verification systems that can provide timely and accurate income information.

In addition to seeking public comment, in the Feb. 11, 2009, notice, HUD took the opportunity to address questions received subsequent to publication of the Jan. 27, 2009, final rule pertaining to the provisions requiring the use of social security numbers for determining program eligibility. The Feb. 11, 2009, notice clarified that these requirements are not intended to modify existing treatment of individuals, in mixed families, who do not assert eligible immigration status, or present requirements relative to proration of assistance.

A full copy of the notice is available at <http://edocket.access.gpo.gov/2009/pdf/E9-6942.pdf>. A detailed summary of the final rent refinement rule is online at www.nahro.org/members/monitor/2009/131.cfm#n

Inspector General Reports on HQS

Mr. Ozdinec cited the HUD Office of Inspector General's (OIGs) audit report regarding HUD's controls over the physical condition of housing stock in the Housing Choice Voucher. The HUD OIG recommended that HUD (1) complete the departmental clearance process of the proposed revised Section 8 regulations, (2) allow the proposed revisions to SEMAP and housing quality standards to go through the proper process and carefully consider all questions and comments made by the affected parties before publishing the final rule, and (3) fully develop and implement a physical inspection system for the tenant-based Housing Choice Voucher program within 3 years. A full copy of HUD OIG's report can be accessed at: <http://www.hud.gov/offices/oig/reports/files/ig09a0001.pdf>

Mr. David Vargas said that HUD would like to study and work with the PHA industry to define what should be covered in an HQS inspection.

HUD Secretary Emphasizes Transit-Oriented Development

During a recent appearance before the House Appropriations Subcommittee on Transportation and Housing and Urban Development, HUD Secretary Shaun Donovan discussed a new partnership between HUD and the Department of Transportation (DOT) aimed at addressing "the many intersections of federal housing and transportation policies and programs." Secretary Donovan was joined by Transportation Secretary Ray LaHood for the March 18 hearing entitled "Livable Communities, Transit Oriented Development, and incorporating Green Building Practices into Federal Housing and Transportation." HUD's press release announcing the partnership is available online at www.hud.gov/news/release.cfm?content=pr09-023.cfm. The release contains additional details about the objectives of the joint HUD/DOT task force that will be charged with carrying out the work of the partnership.

In his March 18 testimony, Secretary Donovan emphasized the role that transportation costs often play in determining whether certain housing options are truly affordable. The Secretary argued that in recent years "many homeowners and renters have traded relatively high housing costs for high transportation costs in their search of affordable housing." In response to what he called the "destructive effects of this mismatch between good housing choices and good transportation choices," the Secretary announced that the new HUD-DOT partnership would involve the establishment of the "Sustainable Communities Initiative" first mentioned in the summary of President Obama's FY 2010 budget proposal released in February.

Sec. Donovan stated that the new initiative would involve a jointly administered fund intended to “encourage metropolitan regions, via competition, to develop integrated housing, land use and transportation plans, and to use those integrated plans to drive the planning and decision making of localities.” The Secretary said that the initiative will “set a vision for growth” tailored to distinct metropolitan areas. According to HUD’s press release, HUD and DOT have set a goal of having every major metropolitan area in the country conduct integrated housing, transportation, and land use planning and investment in the next four years. The Sustainable Communities Initiative will make planning grants available to metropolitan areas, and the administration will apparently seek to require that Community Planning and Development grantees coordinate the development of their five-year Consolidated Plans with the Long Range Transportation Plans and four-year Transportation Improvement Program plans that states and metropolitan areas are required to prepare.

The summary of the FY 2010 budget released by the White House in February indicated that the Sustainable Communities Initiative will be part of the administration’s Community Development Block Grant (CDBG) reform proposal. While the budget summary indicates that the administration will seek \$4.5 billion for the CDBG program for FY 2010, NAHRO has learned that the administration’s request for CDBG formula grants will be \$4.178 billion. It is therefore likely that HUD’s contribution to the proposed joint fund described by Sec. Donovan will be derived at least in part from the difference between the administration’s overall request for CDBG and its request for CDBG formula allocations. Other elements of the joint HUD-DOT partnership as described by Sec. Donovan on March 18 include the following:

- An effort to refine the definition of affordability to incorporate the impact of transportation costs on housing options.
- Joint development of a housing and transportation affordability index.
- An intensive review of programs with the goal of better supporting “the marriage of housing and transportation,” with the possibility of creating preferences for projects that emphasize “location efficiency.”
- The establishment of a jointly-administered research and evaluation effort emphasizing “joint data development, information platforms, analytic tools and research to better track housing and transportation expenditures by location.”

Update on Public Housing Capital Needs Assessment

On March 31, 2009, NAHRO sent a letter to HUD reiterating its position on the Capital Needs Assessment (CNA) (www.nahro.org/members/news/2009/33109_blom.pdf). As a reminder, HUD was directed by language accompanying the FY 2008 T-THUD Appropriations Act to perform an updated CNA of the public housing portfolio. NAHRO participated in the CNA Study Group established by HUD to provide feedback to the researchers conducting the study. Two meetings were held, during which much of the discussion focused on the changes in the public housing operating environment since the last CNA was conducted 10 years ago, the need to employ a sampling tool that took such changes into account, and the importance of collecting data appropriate to informing a cost/benefit analysis with respect to energy consumption. In NAHRO's opinion, none of these concerns was adequately addressed. NAHRO therefore recommended in a letter to the Appropriators that the study be halted (www.nahro.org/members/news/2009/102408_cna.pdf).

NAHRO's recommendation was adopted in language accompanying the FY 2009 Appropriations Act, which read "the Department is instructed to delay current work on the Capital Needs Assessment until April 1, 2009 and should use the intervening period to reevaluate the survey instrument. In addition, the Department is directed to use data and information already collected from the PHAs through the conversion to asset based management, consider individualized physical needs assessments, and include information about green and sustainable capital repairs in its assessment." Subsequently, the Recovery Act provided \$3 billion in public housing capital grant formula funding, and HUD has made clear its intent to require that PHAs accessing such funds submit a physical needs assessment. NAHRO believes that the Department should develop a standardized assessment form and develop an online reporting system where agencies can report assessment findings in order to arrive at a national level total (not estimate) of the capital needs of the public housing portfolio. This total would be updated on a rolling basis going forward as PHAs implemented capital improvements.

At a March 25, 2009, meeting with industry representatives, some HUD staff seemed to suggest that any new physical needs assessment instrument would be employed as a means of performance assessment — or at the very least linked to such an assessment. NAHRO believes this approach is flawed and would for all intents and purposes flout the historic opportunity that has been presented to the industry. NAHRO's views on the topic are spelled out in some detail in the March 31, 2009, letter cited above. NAHRO is hopeful that HUD will proceed to implement a standardized assessment and reporting methodology in order accurately to gauge the capital needs of the portfolio.

Housing Affairs Letter Stories posted week of 4/11/09 - 4/17/09

Public Housing

City Wants Major Shift To Sec. 8

Ohio: Columbus region officials accelerate plans to shift housing policy by converting to a Sec. 8-based housing provider rather than maintain a public housing portfolio. The Columbus Metropolitan Housing Authority (CMHA) selects a firm to find buyers for seven public housing projects with a combined total of 837 units.

The projects, including a high-rise for seniors, have a combined \$12.4-million asking price. CMHA wants to exhaust attempts to sell the buildings before demolishing them. A drop in public housing capital and operating subsidies applied by the Bush administration over several years led to the new policy, CMHA officials say. The housing agency owns and manages about 3,500 public housing units.

The sale attempt is prompted by HUD, which recommended the move in lieu of immediate demolition. The department already has approved razing the complexes and other public housing units, which would reduce CMHA's portfolio by about 1,700 under a five-year plan.

04/17/2009 12:15 PM

Housing Affairs Letter Stories posted week of 4/18/09 - 4/24/09

Heard at HUD

HUD May Get Zen Disciple

Members of the Senate Banking Committee likely will have some colorful but pointed questions about Zen Buddhism in the workplace for a new HUD political appointee. Learning breathing with sphincter control is one of the Zen Buddhist practices allegedly propounded by Mercedes Marquez, the Obama administration's nominee as assistant secretary to head the office, which governs the distribution of Community Development Block Grants (CDBG).

Marquez is dubbed "czar" of the Los Angeles Housing Department (LAHD), where she has been director since 2004 after serving a stint in the Clinton administration as senior lawyer for HUD Secy. Andrew Cuomo and deputy general counsel for civil rights and fair housing.

Her Zen activities and spending at LAHD (a housing agency separate from the Los Angeles Housing Authority) are raising eyebrows among congressional staffers charged with arranging Marquez's appearance before the Senate panel to air her qualifications for the job. Questions are being raised about other activities by Marquez as well, including employee promotion favoritism and personal use of city-subsidized housing.

Stories in the *Los Angeles Times* describe Marquez paying Norma Wong, a former state lawmaker turned Zen disciple, \$18,890 from tax revenues for staff lessons on breathing with sphincter control and learning how to stand. The sum paid by LAHD is part of \$30,000 Wong received in overall city payments for Zen consultations. The affair has taken on a bitter humor aspect with one political campaign ad showing a candidate passing the LAHD office noting the Zen arrangement.

LAHD receives HUD subsidies and it is the major local player in distribution of Neighborhood Stabilization Program grants through CDBG under President Barack Obama's economic stimulus effort.

04/22/2009 3:57 PM

Public Housing

City Proposes Sec. 8 Limits

California: Lancaster officials mull a plan to deny business licenses to landlords who want to rent to Sec. 8 housing voucher tenants. The proposal draws the wrath of affordable housing advocates.

The city, contending it is burdened with a larger share of Sec. 8 voucher holders than any other community in Los Angeles County, wants to halt the influx of low-income families wanting to live in the Los Angeles suburb. Now, Lancaster administers about 12% of all Sec. 8 vouchers provided to the Housing Authority of Los Angeles County (HALAC), with tenants occupying more than 2,300 housing units.

The agency acknowledges Lancaster has the highest number of Sec. 8 contracts but it puts the total at 2,100 units or 10% of the 20,095 vouchers available countywide. HALAC contends fair housing laws must be considered in any move to amend the city ordinance governing business licenses for rental housing.

04/24/2009 1:03 PM

OUR WEEKLY 1 OF 2

4/23/09

Ujima Village residents in limbo

By Shirley Hawkins | OW Staff Writer |
Fighting for relocation funds at toxic site

Wilmington, CA -- Several residents who were part of a relocation effort at Ujima Village in Wilmington attended the Board of Supervisors meeting Tuesday to decry that they have not received sufficient services or relocation costs to relocate from the Village.

Ujima Village was the site of a massive relocation effort that began in June 13 of last year after oil and groundwater tests revealed dangerous contamination of the land. The area was once an oil tank storage site.

County officials and the Housing and Urban Development Department (HUD) initiated a voluntary relocation program for the 600 tenants. "They basically said that if the residents did not come to see them to sign up for the HUD relocation program that the tenants would not receive relocation assistance. People were pushed into this volunteer program because it was a much cheaper way to relocate people," said Louis Rafke, an attorney with the Legal AID Foundation who is representing current and former tenants.

In November, supervisors voted to close the complex, setting aside about \$2.5 million to relocate the remaining tenants which was done by the relocation contractor Lord and Dominion.

Under federal law, the county has to help tenants who were paying market rent to find housing that is similar in size and quality. The law also requires that the county pay the difference between their current and future rents, including utilities, for the next 42 months as a lump sum.

But residents and some observers said that Ujima Village tenants have been shortchanged when receiving relocation costs.

A call to HUD was not returned at press time.

"The site is toxic, so we are trying to move people as quickly as possible," said Rafke. "We don't want to put the remaining tenants through more danger or stress that they can avoid. If we're not satisfied with the offers that we get or if we get no offers, we're going to have to figure out what to do."

"The amount that the Housing Authority is offering is 25% to 35% less than what we believe is the minimum amount required by law and 25% to 35% less than the Housing Authority of the County of Los Angeles (HACoLA) estimated that the cost for relocating these residents would be," he said.

"I met with the tenants throughout the summer and the fall and told them that they should stay put at Ujima Village until they are offered more relocation money, but most of them were intimidated and moved anyway," he said. "Lord and Dominion, the relocation contractor, was paid more to relocate each of the families than the families received in relocation funds and HACoLA did not provide the relocation assistance they are entitled to by law. Tenants believed that if they didn't take the HUD money for the voluntary relocation program, they would get nothing. The manner in which they handed out the money did not conform to the law and in my opinion, everyone who lived in Ujima Village was treated unfairly."

Del Richardson, CEO of Del Richardson and Associates, a relocation and consulting firm that helped the tenants move, agreed. "The tenants who did not qualify for subsidized housing may not have gotten a fair shake," said Richardson. "First, they got \$100 dollars for signing up and for transportation money. Then they got a Section 8 voucher and a list of available places. They were forced out and intimidated into believing that they had to move. The tenants believed that if they did not move, they would receive no money for relocation costs

and so far the relocation costs have been inadequate."

Remaining tenants are searching for affordable housing, but many are hard pressed to find decent housing. "They're trying to offer us Section 8 vouchers," said Charlene David, who is appealing the amount of relocation money she received from HACoLA. "I'm looking for a three bedroom place comparable to what I'm living in at Ujima Village, but the listing of places I've received is terrible. In some of the places I've visited, there's trash outside, the stairwells are dirty, and there are gang members hanging around. When I do locate to a place that is decent, the landlord wants more money than what the Housing Authority has offered us."

Novalene Smith, a resident of Ujima Village for 22 years and a Section 8 tenant, said that she has yet to receive money to move from her apartment. "No one has called me and said, 'Ms. Smith, let's go over everything.'"

Smith said she is scared to live in the complex, which is nearly deserted. "Ujima Village is like a ghost town. Everybody has forgotten about us, its like we're on an island. My son is the only child left in Ujima Village and he's lonely. He keeps asking me, 'Mommy, when are we going to move?' I told him that I was going to fight them until the end. If I were in any other neighborhood than in South Central, I feel this (situation) would not have happened."

Rafke said that Smith is being threatened with the termination of her housing subsidy at Ujima. "That's a flagrant violation of federal law. They are trying to intimidate her," he said. "This relocation situation is taking a mental and emotional toll on the remaining tenants and I am starting to get concerned," said Rafke. "These folks are under so much stress. I want the county to provide the remaining residents with the relocation assistance that they are entitled to by law," Rafke continued. "The Board of Supervisors understood and promised to address the concerns of the remaining residents. The tenants still in Ujima Village understand their rights and are brave and committed enough to insert their rights for themselves and their neighbors."

Bobbette Glover**From:** Natalia Macias**Sent:** Friday, April 24, 2009 2:55 PM**To:** Arlene Black; Bobbette Glover; Elisa Vasquez; Esther Keosababian; Lynna Ochoa; Marcie Miranda; Margarita Lares; Maria Badrakhan; Marisela Crabbe; Richard Martinez; Yui Cheng**Cc:** IGR-PI**Subject:** FW: CLPHA Alert - Climate Change Funds for Public Housing**CLPHA Alert – Public Housing Energy Efficiency Funding**

Dear CLPHA Member:

As you may be aware, Congress and the Obama Administration are considering new climate change legislation. The current proposals being circulated would implement a “cap and trade” system on carbon emissions whereby the federal government would sell carbon emission allowances to particular industries in order for that industry to continue to emit carbon dioxide above the maximum level. A portion of the revenue would be used to offset increased energy costs, however many policymakers are considering using a portion of the revenues generated by auctioning emission allowances to fund improvements in energy efficiency. We are working with the Center on Budget and Policy Priorities (CBPP) to target a portion of these funds to public housing. Below is a proposal prepared by CBPP on why and how Congress should include public housing:

Investing Climate Change Revenues in Subsidized Housing, April 2009

If Congress commits a substantial amount of climate revenues to energy efficiency improvements, it would be desirable to target a portion of those funds on public housing and privately-owned federally subsidized housing, for several reasons:

- **Efficiency improvements in public and subsidized housing offers substantial opportunities to reduce energy use and lower greenhouse gas emissions.** The bulk of the public and subsidized housing stock is *more than 25 years old*, and like other older buildings, many of these housing developments use energy inefficiently.
- **Reducing energy use in public and subsidized housing also would generate federal savings,** which might then be directed toward other energy efficiency and housing priorities or toward deficit reduction. HUD spends more than \$3 billion every year on utility costs in project-based Section 8 (the largest HUD program providing subsidies tied to particular privately owned buildings) and public housing.
- **Energy efficiency investments would benefit the needy families and individuals who live in subsidized housing** by preserving developments and improving the safety and reliability of heating and other systems. Lower energy use would also often reduce expenses for needy residents, who in many cases pay a portion of utility costs. Most households in subsidized housing have incomes below the poverty line, and most also have at least one member who is elderly or has a disability.
- **The Weatherization Assistance Program or energy efficiency block grants are unlikely on their own to adequately address needs in subsidized housing.** States and localities may face considerable political pressure to direct limited funds to improve efficiency in owner-occupied

homes or businesses and may view investments in federally subsidized housing as a federal responsibility.

Congress could take a major step to improve efficiency in subsidized housing by allocating some climate revenues toward that purpose. For example, climate change legislation could provide \$500 million per year for competitive grants to housing authorities with plans to improve efficiency in public housing, and \$250 million annually for energy efficiency loans and grants to private owners of subsidized housing. Over 10 years, this would be sufficient to fund significant energy efficiency improvements at approximately 70 percent of public housing units and 30 percent of the privately owned subsidized stock.

The House Committee on Energy and Commerce will be the first committee to consider and markup the legislation, possibly as early as next week. Committee members include:

Henry A. Waxman, CA, Chair	Joe Barton, TX, Ranking Member
John D. Dingell, MI, Chair Emeritus	Ralph M. Hall, TX
Edward J. Markey, MA	Fred Upton, MI
Rick Boucher, VA	Cliff Stearns, FL
Frank Pallone, Jr., NJ	Nathan Deal, GA
Bart Gordon, TN	Ed Whitfield, KY
Bobby L. Rush, IL	John Shimkus, IL
Anna G. Eshoo, CA	John B. Shadegg, AZ
Bart Stupak, MI	Roy Blunt, MO
Eliot L. Engel, NY	Steve Buyer, IN
Gene Green, TX	George Radanovich, CA
Diana DeGette, CO	Joseph R. Pitts, PA
Lois Capps, CA	Mary Bono Mack, CA
Mike Doyle, PA	Greg Walden, OR
Jane Harman, CA	Lee Terry, NE
Jan Schakowsky, IL	Mike Rogers, MI
Charles A. Gonzalez, TX	Sue Wilkins Myrick, NC
Jay Inslee, WA	John Sullivan, OK
Tammy Baldwin, WI	Tim Murphy, PA
Mike Ross, AR	Michael Burgess, TX
Anthony D. Weiner, NY	Marsha Blackburn, TN
Jim Matheson, UT	Phil Gingrey, GA
G.K. Butterfield, NC	Steve Scalise, LA
Charlie Melancon, LA	
John Barrow, GA	
Baron P. Hill, IN	
Doris O. Matsui, CA	
Donna M. Christensen, VI	
Kathy Castor, FL	
John P. Sarbanes, MD	
Christopher S. Murphy, CT	
Zachary T. Space, OH	
Jerry McNerney, CA	
Betty Sutton, OH	
Bruce L. Braley, IA	
Peter Welch, VT	

At this point, CBPP is targeting Representatives Edward Markey (D-MA) and Bobby Rush (D-IL) to request the funding from Committee Chairman Henry Waxman (D-CA), on the grounds that they have a large number of public/subsidized housing in their districts and are in a strong enough position on Energy

and Commerce to push the proposal. CBPP plans to reach out to Chairman Waxman and Speaker Nancy Pelosi (D-CA) as well.

We urge you to reach out to your member of congress and request that \$500 million per year of the revenues from carbon allowances be targeted to public housing for energy efficiency improvements.

APRIL 27, 2009

CLPHA WEEKLY

COUNCIL OF LARGE PUBLIC HOUSING AUTHORITIES, WASHINGTON, D.C.

House Committee Staff Turn Their Attention to Public Housing

INSIDE

The New HUD: Confirmation Process Begins 2

President Announces Another Key HUD Appointee 2

Federal Update: HUD Amends NOFA Procedures 3

CLPHA Stimulus Watch 4

HUD Secretary & District Officials Join DC Housing at Green Roof Un- 4

Tacoma Housing Authority Holds Press Briefing on Stimulus 5

CLPHA 2009 Summer Meeting in Chicago 5

Los Angeles County Housing Authority Launches Green 6

Bookshelf 7

In its oversight plan for the 111th Congress, the House Financial Services Committee stated its intention to "conduct a hearing or a series of hearings on the state of public housing programs, including, but not limited to, the public housing operating and capital funds, the HOPE VI program, current spend-out rates and potential funding sources with which public housing agencies can supplement their efforts to maintain and operate public housing units." Last week in meetings and briefings, congressional staff at the committee and sub-committee level began advance work in preparation.

The committee staff members were eager to sit down with CLPHA, tenant advocates, and other industry representatives to discuss legislative priorities for this Congress and to consider the legislative challenges and issues confronting public housing.

The wide-ranging discussions were designed to conduct a comprehensive review of current public housing concerns at the staff level, as well as explore potential policy options.

CLPHA informed committee staff that our legislative agenda includes the Future of Public Housing, HOPE VI, the Section 8 Voucher Reform Act (SEVRA), and the Moving to Work/Housing Innovation Program (MTW/HIP).

We joined fellow participants in requesting that Congress consider legislative initiatives to enable more flexible use of federal assistance and to initiate a dialogue on possible reforms, including changes to help improve the public housing funding system.

With respect to potential future changes, discussions at one meeting focused on redevelopment and financing strategies, such as mortgaging of public housing assets; the difficulties in leveraging assets; use of 9 percent versus 4 percent low-income housing tax credits; challenges in creating mixed-finance and mixed-income developments; identifying and preserving dedicated funding for the new National Housing Trust Fund; tenant mobility and other tenant protections.

(Continued on page 2)

HOUSE COMMITTEE STAFF TURN TO AGENDA, *From page 1*

House Finance Committee Chairman **Barney Frank** (D-MA) has a long-standing commitment to preserving hard public housing units, and his staff expressed interest in helping housing authorities gain access to all available resources to do so. After the meeting, they asked CLPHA more detailed questions about the current role of **low-income housing tax credits** in the rehabilitation and redevelopment processes.

Watch for Survey: CLPHA sent a survey to members today to help answer the questions, the ultimate policy goal of which may be to make public housing rehabilita-

tion and redevelopment deals more competitive in the tax credit allocation process.

Before seeking any changes though, the staff would like to know the current situation on the ground. Your responses to the survey are very important. Watch your inbox!

We will continue to work with committee staff as the congressional review process moves forward.

President Announces Another Key HUD Appointee

On April 17, 2009, President Obama nominated **Mercedes Márquez** to be Assistant Secretary for Community Planning and Development at the Department of Housing and Urban Development.

Ms. Márquez currently serves as the general manager of the City of Los Angeles Housing Department. She is a former senior counsel to Andrew Cuomo, HUD secretary in the Clinton administration.

Read more about the nominee

■ "San Francisco native Marquez joins HUD "dream team," *Beyond Chron*, www.beyondchron.org/articles/San_Francisco_Native_Marquez_Joins_HUD_Dream_Team_6824.html

The New HUD: Confirmation Process Begins

On the morning of April 23, 2009, the U.S. Senate Committee on Banking, Housing, and Urban Affairs held a hearing to consider the President's nominations for five key HUD posts:

Ronald Sims, Deputy Secretary; **Helen R. Kanovsky**, General Counsel; **David H. Stevens**, Assistant Secretary for Housing-Federal Housing Commissioner; **Peter Kovar**, Assistant Secretary for Congressional and Intergovernmental Affairs; and **John D. Trasviña**, Assistant Secretary for Fair Housing and Equal Opportunity.

Senate Banking Chairman **Christopher Dodd** (D-CT) stated in his opening comments that since the current housing crisis is the root of the economic crisis, the placement of new, bold leadership at HUD is vital for recovery.

He spoke highly of all the nominees, and said that, although he would prefer to have a separate hearing for each, our Nation's current circumstances were cause for the urgency of the confirmation process.

(Continued on page 3)

"RETOOLING HUD FOR A CATALYTIC FEDERAL GOVERNMENT"

Penn Institute for Urban Research Offers Recommendations to HUD Secretary Donovan

A new report funded by the Rockefeller Foundation, *Retooling HUD for a Catalytic Government: A Report to Secretary Shaun Donovan*, released February 2009, sets forth a vision and leadership roadmap for "a new federal government's role in housing and urban development."

Divided into five parts, each of the report's ten chapters begins with a discussion of vital issues facing the United States, and then follows with recommendations and advice for HUD's role. Chapter titles are:

- Preventing Foreclosure

- Improving the Private Multi-Family Housing Programs
- The "Hard to House": Creating Housing Opportunities for those in Greatest Need
- Improving Communities Impacted by Foreclosure
- Strengthening America's Neighborhoods
- New Strategies for a Metropolitan America: Extending HUD's Urban and Regional Mission
- City-Focused Economic Development Agenda for the Federal Government and HUD

- Anchor Institutions as Partners in Building Successful Communities and Local Economies
- Facilitating Green Housing
- Catalyzing Change at HUD: Building a More Effective Department.

The Penn Institute for Urban Planning assembled more than 50 professionals, drawn from practice and the academy, to produce the report.

The report can be found online at www.upenn.edu/penniur/pdf/Retooling%20HUD-EntireReport.pdf

Mark Your
Calendars
for the
CLPHA 2009
Summer Meeting
in Chicago
June 24-26

LIVABILITY FOR ALL

EPA: Building Healthier Communities for the Aging

On April 14, the U.S. Environmental Protection Agency announced the **University of Maine's Center on Aging** and **Portland University** will each receive \$100,000 as the recipients of the **2009 Building Healthy Communities for Active Aging: Training and Demonstration Projects**.

According to the statement, the University of Maine's Center on Aging plans to develop a statewide summit for older adults who want to

learn more about smart growth and influence smart growth development activities within their own communities. The **Senior Environmental Leadership Corps**, the first of its kind in Maine, will provide leadership and civic engagement training with a special focus on environmental stewardship and smart growth planning to older adults.

Portland State University plans to demonstrate the benefits of **Green Streets**

for Active Aging. The project builds upon their groundbreaking work in the area of green streets and active living. It demonstrates how green streets or sustainable streets contribute to the well-being of a community, including the physical and mental health of older and younger adults, as well as helping the environment and the economy.

For links to contact information see www.epa.gov/agingepa/grants/winners.htm

pasadenastarnews.com

Obama administration expands housing aid plan

ALAN ZIBEL, Associated Press

Posted: 04/28/2009 07:40:47 AM PDT

WASHINGTON - The Obama administration is expected to announce Tuesday that it is expanding its plan to stem the housing crisis by offering mortgage lenders incentives to lower borrowers' bills on second mortgages.

During the housing boom, lenders readily gave out "piggyback" second loans that allowed consumers to make small down payments or avoid them entirely. While home prices soared, such mortgages were even extended to borrowers with poor credit scores and people who didn't provide proof of their incomes or assets.

But those loans, which are attached to about half of all troubled mortgages, have been an obstacle to efforts to alleviate the housing crisis. That's because borrowers who are trying to get their primary mortgage modified at a lower monthly payment need the permission of the company holding the second mortgage.

The new plan aims to get rid of that roadblock, said two senior administration officials, speaking on condition of anonymity because the details were not yet public.

The administration initiative, funded out of \$50

billion in financial rescue money, relies on a series of payments to mortgage companies as an incentive to modify second loans at lower interest rates. Mortgage companies would get \$500 upfront for each modified loan, plus \$250 a year for three years as long as the borrower doesn't default.

Similarly, borrowers would get up to \$1,000 over five years applied to the principal balance of their primary mortgage, and the government would pick up part of investors' costs as well. Lenders would also be given the ability to remove second mortgages entirely in exchange for larger government payouts.

The administration also plans to give mortgage companies \$2,500 payments to entice them to participate in the "Hope for Homeowners" program. It was launched by the government last fall but has so far has been a failure, proving unattractive to banks required to absorb large losses.

It was supposed to allow 400,000 troubled homeowners to swap risky loans for traditional 30-year fixed-rate mortgages with lower rates. Instead only a handful of borrowers have been able to qualify, and as of earlier this spring only one loan had completed the program.

Meanwhile, the faltering economy is causing the housing crisis to spread. Nationwide, nearly 804,000 homes received at least one foreclosure-related notice from January through March, up from about 650,000 in the same period a year earlier, according to RealtyTrac Inc., a

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foreclosure listing firm.

Meanwhile, another key piece of President Barack Obama's plan to keep borrowers from losing their homes is expected to be defeated this week in the Senate. There does not appear to be enough votes to pass a bill that would allow people to seek mortgage relief in bankruptcy court.

Many lawmakers remain worried that such legislation would unleash a torrent of loan defaults, ultimately driving up mortgage rates and introducing fresh uncertainty to a housing market in crisis.

There were, however, fresh signs Tuesday that the housing recession may be hitting bottom. Home prices have been setting record annual declines, but in February that 25-month cycle was broken.

The Standard & Poor's/Case-Shiller index of home prices in 20 major cities slid by 18.6 percent from February 2008, slightly better than the 19 percent in January. The 10-city index slid 18.8 percent, also a little better than the month before.

Prices in the 20-city index have plunged 30.7 percent from their peak in the summer of 2006, and the 10-city index has lost more than 31.6 percent.

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Los Angeles Times

<http://www.latimes.com/business/la-fi-smallbiz28-2009apr28,0,4001126.story>

From the Los Angeles Times

SMALL BUSINESS

L.A. County incubator gives firms, jobs a start

The Business Technology Center and several other of the county's key development programs appear spared from budget cuts. Some small-business programs are even slated for expansion.

By Cyndia Zwahlen

April 28, 2009

Kelly Tompkins credits a fellow tenant at the business incubator run by Los Angeles County for helping him land venture capital recently for his tech start-up, AdventureLink.

Making contacts with other entrepreneurs and having the chance to discuss challenges and strategies are just some of the benefits of setting up shop at the Altadena facility, he said.

"Those sorts of things are invaluable," said Tompkins, chief executive of the online booking system for adventure travel he founded in mid-2006.

It's the second business he has started at the Business Technology Center. Tompkins is one of 35 tenants who pay below-market rent there and have access to free mentoring and consulting as well as conference rooms and a menu of fee-based business services.

The incubator and several other key small-business development programs offered by Los Angeles County appear to have been spared cuts under the county's \$22.8-billion budget proposed last week for the fiscal year that starts July 1, officials said. In fact, expansions are planned for some of the programs, all of which are meant to support the creation of new jobs.

"We are not seeing a significant change in our programs for small businesses," said William Johnson, acting director of the Community Development Commission's Economic Redevelopment Division, which runs several of the county's small-business programs.

Most of the efforts to help start-ups and existing businesses are funded primarily by federal grants and measured largely by how many jobs they will create.

The Business Technology Center incubator has been self-supporting for eight years, manager Mark Lieberman said. While at the incubator, tenants have raised more than \$130 million in equity capital and hired more than 1,300 people, Lieberman said.

It's difficult to track the firms once they leave the center -- the maximum tenancy term is four years -- so it's unclear how many of those jobs still exist or how many new jobs were added after the firms left, he said.

Recent graduates include MyShape, an online store that matches a shopper's size and style with clothes already on the market, and Arecont Vision, which makes high-definition surveillance cameras.

"The whole concept is smart," Tompkins said. "You can really track what my businesses have done for the local community from an employment perspective and the tax base."

He moved AdventureLink into a single office in the incubator 3 1/2 years ago. Today the small business is one of the incubator's largest tenants with 16 employees and several independent contractors.

His previous start-up, LeisureLink, moved out of the incubator about the same time, and, fueled in part by venture capital, now employs 35 in its Pasadena offices. Tompkins is no longer involved with the company, which aggregates vacation rental properties from multiple suppliers online, although he is its largest shareholder.

Lieberman, manager of regional economic development for the commission, is looking into the feasibility of setting up two more incubators. One would be focused on renewable energy and be located in the Adelante redevelopment area near Los Angeles County-USC Medical Center. The second would be another technology-business incubator and located in the Antelope Valley.

In addition to the original 11-year-old technology incubator, Lieberman oversees the incubator's affiliate program for start-ups that don't need office space but could benefit from other support services.

There is also the 2-year-old Los Angeles Business Owner Outreach Support and Training program -- called LA-BOOST for short.

It started out as a second incubator but that proved unworkable, and it evolved into a five-month intensive training program for low- and moderate-income entrepreneurs based at Los Angeles Southwest College, he said. Lieberman expects the two-tier program to graduate 40 entrepreneurs this year.

Lieberman also oversees the division's modest commercial and industrial lending program. The \$31-million program funded 13 new loans totaling \$2.4 million last year. All require collateral, he said.

Los Angeles Times: L.A. County incubator gives firms, jobs a start

The division also runs several other business-related programs, including support for two state enterprise zones, a commercial-building facade improvement program, street-scape beautification projects and merchant association support, all in targeted areas.

The division's programs are aimed at unincorporated areas of Los Angeles County and the 50 participating cities of the 88 in the county.

The division, in collaboration with the city of Los Angeles, received conditional approval from the state last year for the East Los Angeles Enterprise Zone, where qualified firms are eligible for state tax credits.

It paired up with the city and Huntington Park to recently apply to create a Harbor Gateway Communities enterprise zone. Only four potential new zones are available this year, Johnson said, while 19 have been proposed across the state. Meanwhile, state legislation has been introduced that would curtail the enterprise zone program.

Small businesses that are interested in the county programs can learn more by going online to www.lacdc.org and clicking on "Programs."

Tompkins, who expects to stay at the center for an additional six months or so, is not enamored of a requirement that tenants offer the incubator royalties or options to buy stock in their companies at a future date as part of their payment for space and services. But he is grateful for the flexibility that helped his latest firm get through a cash crunch without losing its space.

"The Business Technology Center really supports the entrepreneurs," Tompkins said. "Now my business is starting to take off, which is great."

smallbiz@latimes.com

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Six months' jail time decreed in Section 8 fraud

*This story appeared in the Antelope Valley Press
Thursday, April 30, 2009.*

By CRAIG CURRIER
Valley Press Staff Writer

LANCASTER - A former recipient of Section 8 rental aid who was found guilty of three felonies for failing to disclose that her boyfriend lived with her was sentenced Wednesday to six months in jail.

In the first Antelope Valley jury trial in which a former Section 8 recipient was accused of perjury for failing to disclose all the home's occupants and their income, Maricella Chavez was convicted last month of perjury, grand theft and welfare fraud.

Judge Jared Moses sentenced her Wednesday on the perjury and welfare fraud charges and dismissed the grand theft conviction, calling it a "more general" description of the welfare fraud count.

Chavez, who prosecutors said collected more than \$19,000 in Section 8 benefits, will go on three years of felony probation, work 30 days of Caltrans community service and pay restitution of an amount to be determined by the court when she is released from jail.

The prosecution asked for a two-year state prison term and argued that Chavez was facilitating the lifestyle of her boyfriend - who the prosecutor and judge said had a drug-for-sale arrest as recently as 2007. Chavez's boyfriend owned cars, a boat and a motor home that he stored at her 27th Street East house, though they were registered to a different address, Los Angeles County Housing Authority investigator Gary Brody told the Valley Press in March.

Moses, though, said he didn't think Chavez deserved punishment for the actions of her boyfriend, who is the father of Chavez's three children.

Chavez will be allowed one week to arrange care for her three children while she is in jail. Moses ordered her to appear in court next week to begin serving her sentence.

Of the 29 Palmdale Section 8 cases in which the District Attorney's office has filed perjury charges, Chavez's is the first to go to a jury trial. Sixteen other former Section 8 recipients have pleaded no contest and accepted probation, while four cases are pending, according to Sheriff's Sgt. Kyle Bistline. Warrants have been issued for the remaining eight defendants, at least one of whom has fled the area, Bistline said.

"This is a horrible crime against anybody who pays taxes," Bistline said. "There are people out there who need this service and are on a waiting list for it."

Chavez sat next to her attorney with her head in her hands throughout the sentencing, looking up

only to answer Moses.

"This is a significant case and I don't want to minimize it," Moses said in court. "We are in difficult economic times. It is a grave concern to me that somebody can accept benefits ... and abuse the public."

In recent years, Los Angeles County Supervisor Michael D. Antonovich along with Palmdale, Lancaster and sheriff's officials, led a crackdown on Section 8 violators. Just over a year ago, authorities began bringing felony perjury and fraud charges against people who lie on their housing program documents.

The initiative's purpose, said Antonovich aide Tony Bell, is to help authorities further police and expose those receiving Section 8 assistance.

"This type of fraud is an affront to the county taxpayer and should be rigorously prosecuted," Bell said. "Our office is committed to make sure that is the case."

Chavez's attorney Kristoffer McFarren said he wasn't expecting his client to serve jail time.

"We're disappointed," McFarren said. "I believed this case was suitable for probation. She has no criminal record."

Housing Authority of the County of Los Angeles Acting Executive Director Cordé Carrillo called the jail sentence "consistent with other public assistance fraud cases" and said the Housing Authority is pleased with the court's ruling.

"The Housing Authority wants to ensure that our Section 8 subsidies go toward supporting families who truly qualify for the program and abide by program requirements," Carrillo said.

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Section 8 renter faces perjury, theft charges

*This story appeared in the Antelope Valley Press
Saturday, May 2, 2009.*

By DAISY RATZLAFF
Valley Press Staff Writer

PALMDALE - A Section 8 rental subsidy recipient has been arrested on suspicion of perjury, grand theft and welfare fraud after investigators discovered that the home in which she lived in was owned by her husband, described as a music-industry executive with businesses estimated to be worth \$23 million.

Yunena Smith, 39, was arrested on a warrant Wednesday after deputies of the Partners Against Crime team received word that she was back at the house where deputies arrested her husband March 30. Deputies had begun looking into the family after the arrest of Smith's 19-year-old son on suspicion of drug sales.

"The fraudulent part about this is, here you have this owner of a house who is renting it to his wife on Section 8, but he is actually living there with her," Sheriff's Sgt. Kyle Bistline said.

Smith's husband, 58-year-old Thomas McGee, could not be found Friday for comment.

McGee bought the home in the 5700 block of Saint Laurent Drive, which is in a neighborhood near Avenue R and 60th Street East, at the end of 2005 or early 2006 and put his wife down as a renter, authorities said. Smith was supposed to pay \$480 a month as her share of the rent, while McGee received \$630 a month from the Los Angeles County Housing Authority.

When deputies arrested McGee on March 30, they said he told them Smith had moved out of the house and was living in the Los Angeles area.

"We didn't even know that they were married until we got there, because they have different last names," Bistline said.

Sheriff's records show Smith's son, Darrell Daniels, was arrested on March 19 on suspicion of sales of a controlled substance. He was released the next day on \$30,000 bail, records show.

McGee was released one day after his arrest on \$20,000 bail, records show. Smith was being held on \$100,000 bail and is scheduled to appear in court on May 13, sheriff's records show.

During Wednesday's search, officials said they discovered documents linking McGee with several music businesses.

"We searched the house and found paperwork that stated that his company and businesses are worth \$23 million," Bistline said. "He is involved in music distribution and also representing a couple people, such as an agent/producer."

Sheriff's deputies and Los Angeles County Housing Authority investigators conduct regular checks on Section 8 homes to determine if their occupants are following the rules against taking in unauthorized tenants, selling drugs or failing to disclose income, Bistline said.

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Housing Affairs Letter Stories posted week of 4/25/09 - 5/1/09

Public Housing

(PUBLIC HOUSING) Dog Breeds Barred From Public Housing

New York: Pit Bulls, Rottweilers and Doberman Pinschers are permanently banned from public housing operated by the New York City Housing Authority (NYCHA). The public housing authority (PHA) takes the action after pleas to state lawmakers to enact a law barring such pets fall on deaf ears.

NYCHA residents who already own the breeds can keep them if they registered the pets by May 1. The PHA also bans residents from owning any dog weighing more than 25 pounds. The present rule allows pets weighing up to 40 pounds.

The PHA action has riled the dog owners, who have enlisted the American Society for the Prevention of Cruelty to Animals (ASPCA) to fight the ban or relax the rule at a minimum. ASPCA says it opposes breed-specific bans.

05/01/2009 12:54 PM

(PUBLIC HOUSING) Elevators Top Repair List

New York: The New York City Housing Authority (NYCHA) will devote a large portion of its \$423 million allocation under the American Recovery & Reinvestment Act to repairs on 145 elevators in 11 public housing complexes.

The public housing authority has been plagued by elevators mishaps, including the death of a 5-year-old boy who tried to squeeze out of a stalled elevator in a Brooklyn public housing development. Faulty elevators have stranded disabled and elderly residents.

The \$70 million devoted to elevator repair supplements cash already allocated by the city to solve the problem.

05/01/2009 12:51 PM



Public Housing Energy Conservation Incentive

Freeze Rolling Base Utility Consumption for 20 Years

Reducing utility consumption in public housing is an important goal in order to reduce program costs, dependence on foreign oil and carbon emissions, and many housing authorities have undertaken energy conservation measures. HAs have many competing goals, however, and have fewer financial resources than they are entitled to receive. As a result, they generally focus their insufficient resources on their core purposes—filling vacant units, making repairs and helping the residents.

A major impediment to energy conservation is that currently the utility funding system does not support reducing energy use. Essentially, housing authorities are paid for the amount they spend. If they spend more, they are paid more; if they spend less, they are paid less. As a result, there is no financial incentive for a housing authority to reduce its energy consumption.

HUD has one program that does provide a benefit to agencies that save energy. If a housing authority partners with an energy service company (esco), or another third party, to borrow capital to implement an energy conservation measure, it can freeze its consumption level at that property for 20 years. In other words, HUD will pay the HA for the current rate of consumption for 20 years, even if it reduces energy use and consumes less energy during that period, but it must devote 75 percent of these savings to repay the loan.

This tool is an important one, and these contracts are valuable, but they are complex, cumbersome, attracted to the low-hanging fruit, and generally only available to larger agencies. Over the 20 year lifespan of this program, it has resulted in saving about 5 percent of the program's utility usage. It appears, at least over the past decade, that that is just about the total amount of reduction recorded by the program, so it seems clear that more can and should be done.

PHADA proposes taking this idea—freezing the rolling base consumption level for 20 years—and applying it across the board to all housing authorities on a voluntary basis.

PHADA proposes taking this idea—freezing the rolling base consumption level for 20 years—and applying it across the board to all housing authorities on a voluntary basis. With this action, housing authorities would be given a genuine incentive to reduce their energy consumption, because they would be able to keep all the savings they generate and apply them to other eligible housing purposes.

With this proposal, housing authorities would now have a real reason to focus on energy conservation amid all the competing tasks they have to accomplish. They would be able to reap immediate benefits from the many non-capital intensive ways to reduce consumption. These include checking the temperature of domestic hot water, making sure their thermostatic and boiler controls are operating properly, repairing leaks on a timely basis, educating the residents, monitoring vacant apartments and conducting preventive maintenance diligently.

Secondly, they could continue to reduce energy through capital intensive improvements by leveraging private investment with the savings. It would just be easier without having to go through the bureaucratic review and approval process now required. Housing authorities have been managing their capital work since the inception of the program in 1937, and they are perfectly capable of conceiving and carrying through these plans.

Thirdly, even small agencies would be able to take advantage of this incentive, because there would not be a size threshold determining when energy service contracts are profitable. Finally, housing authorities could use the savings to build up the human capital needed to run a successful and comprehensive energy conservation program. HAs could employ both the managerial staff needed to create, implement and monitor these energy conservation programs, as well as the maintenance personnel needed to manage the properties optimally.

In addition to the benefits a 20 year freeze would provide housing authorities, PHADA also believes it will benefit HUD and the taxpayers. Relatively little energy conservation is occurring under the current funding system, outside of the 20 year freeze for escos, so in practical terms, the federal government will continue to pay for current levels of consumption over the next two decades whether it freezes the rolling base across the board or not. So, there is no additional cost to the federal government. Down the road, though, after 20 years, federal obligations and costs will be substantially reduced, when HUD is able to take advantage of the substantial savings that have taken place.

Although this proposal makes freezing the rolling base consumption level for 20 years voluntary, PHADA believes that the vast majority of agencies will take advantage of a policy that offers them an opportunity to reduce their expenses and retain the savings. Should an agency choose not to participate, again it would not cost HUD anything, because it will simply continue using the existing system. Agencies should have this option in case there are local circumstances that might increase energy usage, such as labor issues, reduced operating subsidy levels due to being a Harvard cost study decliner or changes in tenant populations and energy consumption beyond the authority's control.

Similarly, even though PHADA believes that there will be significant reductions in energy usage based on this proposal, it does not tie it to any specific target reductions, with possible sanctions, such as reduced funding, if they are not met. For one thing, HUD will not spend anything more with this proposal, and it already reaps an important benefit from an agency's participation through its commitment not to increase energy use. Furthermore, every HA is at a different stage in their energy conservation programs, and while some may be able to reduce consumption by 25 percent, others may be so far along that they may not even be able to achieve 5 percent. It also may take different amounts of time to achieve their goals—some accomplishing them more quickly than others. Finally, since capital will be borrowed based on the savings available during a 20 year freeze, it needs to remain in place for the full 20 year period to provide the reliability needed by lenders. ■



REAC Inspections Improvement Act

Sponsor:

HOUSE -- Congresswoman Yvette Clarke (D-NY) is drafting language to her bill "Real Estate Assessment Center Inspection Act"

Bill preview:

HOUSE -- This REAC inspections bill was instigated by Representative Clarke after hearing about REAC inspection issues in New York City public housing. Her interest was further sparked by a PHADA *Advocate* article about issues raised about REAC inspections at a June 2008 panel at the PHADA conference in New Orleans.

Rep. Yvette Clarke

The bill has been through a couple major rewrites as the Congresswoman tries to strike the right balance between key interests of housing authorities and those of multifamily housing. As it stands now, the bill contains some features of limited interest to housing authorities, while other topics are still being debated. PHADA is hopeful that the proposed bill will eventually produce some real improvements to the flawed REAC inspections program. The most recent draft of the proposed bill calls for:

- o Realigning REAC by moving it out from under the PIH Assistant Secretary and making it answerable directly to the HUD Secretary.
- o Re-establishes a REAC Advisory Task Force to review and make recommendation about REAC inspections, the scoring system and related issues.
- o Requires PHAs and owners to give REAC more advance notice of offline units.
- o Provides enough advance notice so that PHAs and owners have at least 14 days to notify residents of inspections.
- o Provides inspections every 3 years for high performing PHAs, every 2 years for scores of 80 to 89 points; and annually for scores of 79 or below.
- o Establishes a requirement that inspectors carry a certificate of insurance in the amount of \$2 million and naming the inspection property as the insured to cover any damage caused by the inspector during the inspection.
- o Inspectors would be required to identify, but not score deficiencies on items (the agency certifies in writing) not owned by the agency, such as fences, sidewalks, vegetation and alleys; items owned by residents; any condition noted in an elevator or mechanical room that is locked and restricted for use by authorized personnel only and tenant caused damage as a result of tenant housekeeping, active eviction or other legal matters.

See "REAC," continued on page 12

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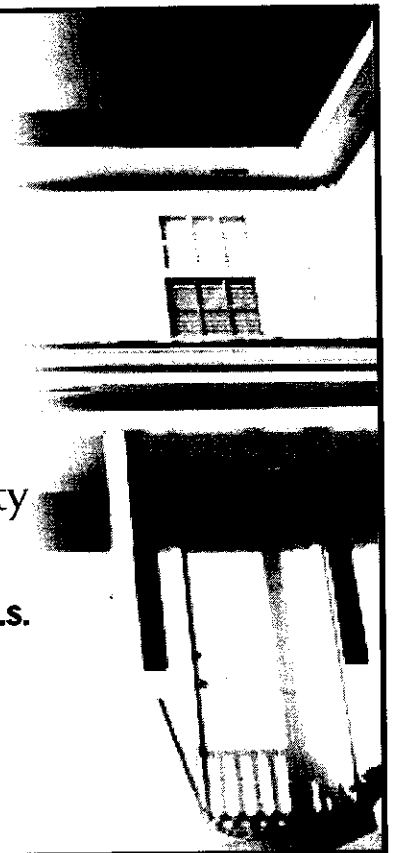
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Housing Affairs Letter Stories posted week of 5/2/09 - 5/8/09

Housing Trust Fund In Spotlight

After nearly 10 years of advocacy, low-income housing activists persuaded Congress to approve a special fund to create new rental housing for poor families. Finally created in 2008 in a back-door amendment to the Housing & Economic Recovery Act, the new Nat'l Housing Trust Fund will be endowed with \$1 billion. The proposal is expected to be opposed by the House GOP conservative caucus, which brands the fund as a money trough for leftist activists Assn. of Community Organizations for Reform Now (ACORN).

Sponsors of the fund concept -- House Financial Services Chairman Barney Frank (D-MA), housing subcommittee Chairwoman Maxine Waters (D-CA) and Rep. (now senator) Bernard Sanders (I-VT) -- assured each year of the debate until 2007 that taxpayers would not be tapped to finance the fund. Instead, after-tax profits of Fannie Mae and Freddie Mac would support the trust, that is until the government-sponsored enterprises fell on hard times in 2007.

Trust supporters fell silent for months on how the fund would be supported. Only after Democrats took control of Congress and the White House did backers embrace the public-funding concept. The goal of housing activists is a fund supported with \$5 billion of appropriations annually.

The fund is designed to provide grants to states to increase and preserve a supply of rental housing for extremely low-income and very low-income families, including homeless families, and to increase homeownership in the same income categories. Homeownership is limited to 10% of the funding.

05/08/2009 12:02 PM

Budget

(BUDGET) Donovan Puts Obama Stamp On HUD

HOPE VI is gone, the American Dream Downpayment Initiative is deep-sixed, and the new Nat'l Housing Trust Fund (NHTF) is heralded by HUD Secy. Shaun Donovan as the new look for the post-housing

market crash era. Donovan describes what he views as a more efficient HUD in a review of the department's FY 2010 spending plan, unveiled by President Barack Obama after more than three months of finishing touches and a wait for Congress to agree on an overall spending ceiling.

Obama stands firmly behind the Community Development Block Grant (CDBG) program in his spending blueprint, awarding it \$4.5 billion. The Bush administration tried to starve CDBG in an attempt to sway lawmakers to rewrite the distribution formula to largely benefit the more than 3,000 *colonias* (immigrant settlement camps) dotting the border between Texas and California. It didn't work. Congress financed CDBG at nearly \$4 billion a year to keep it intact for a new administration.

Now, the White House is expected to rewrite the formula in new legislation that will restrict the more than three-decade old program's spending to poor neighborhoods. Now, mayors have the discretion, within certain confines, to spend CDBG awards on housing rehab, infrastructure, parks and recreation in any part of their city.

ADDI particularly was the target of the Obama administration. The program was intended to be the Bush administration's signature HUD initiative, giving then Deputy Secy. Alphonso Jackson, a long-time Bush friend and loyalist, his own political platform to generate 5.5 million new minority homeowners within 10 years. The program faltered quickly through lack of political support, overshadowed by the exploding accounting scandals at Fannie Mae and Freddie Mac. By the time the Republican Congress was able to regroup, new scandals sidetracked interest in ADDI.

The Bush White House repeatedly tried to scrap HOPE VI, claiming the \$5.8 billion program initiated in 1992 was mired in bureaucratic wrangling and scant progress made the effort too expensive. Congress kept the program alive until a new effort could be crafted. HUD now will call HOPE VI the Choice Neighborhoods Initiative even though the focus largely will remain the same – convert traditional public housing into mixed income neighborhoods. The primary change will be the inclusion of extreme poverty neighborhoods into the mix.

The NHTF will command much attention, with the Obama administration committed to seeding the fund with \$1 billion. The fund

idea jelled in 2000 through the efforts of House Financial Services Chairman Barney Frank (D-MA), who then was ranking Democrat, former Rep. Bernard Sanders (I-VT), and Nat'l Low Income Housing Coalition Director Sheila Crowley. GOP opposition in the House allowed the proposal to wither each year until 2008, when the fund was incorporated into the Housing & Economic Recovery Act Of 2008. Advocates lobbied for \$5 billion but the White House insisted on \$1 billion as a way to spur rental housing in light of the homeownership quandary.

Finally, the new administration takes the gloves off on Sec. 8 housing, awarding \$1.8 billion more than the Bush administration was willing to award. The funding level is intended to finance the program fully until the administration devises a new method of operating Sec. 8.

Info: www.cdpublications.com/docs/6771

05/07/2009 4:52 PM

Heard at HUD

(HEARD AT HUD) Cloud Lingers Over HUD Choices

HUD's nominee for deputy secretary, Ronald Sims, is set to settle into his new duties after being approved by the full Senate after the GOP backed away from challenging his professional credentials. At the same time, the nomination for FHA commissioner is on hold while the Senate sorts out allegations of David Stevens involvement in Real Estate Settlement Procedures Act (RESPA) violations.

Congressional sources tell *HAL* that Senate Republicans backed away from a confrontation with Democrats about Sims' suitability to be HUD's senior operational executive. They instead will allow legal actions in Washington State to run their course and let the Obama administration deal with any embarrassment over the nomination.

President Barack Obama's nominee to be HUD's No. 2 political operative was found to have violated open records laws during his time as King County executive. The state Supreme Court ruled that actions by Sims and his office were so "egregious" that the court scrapped a lower court's \$123,000 fine and recommended an increase to as much as \$825,000 for withholding documents detailing

cheaper alternatives for construction of a new stadium in 2002 for Seattle's football franchise.

In Stevens' case, the nomination of the former president of the Long & Foster real estate firm is on hold while the Senate determines how a lawsuit alleging RESPA violations by his former company will affect his role as FHA commissioner.

The lawsuit alleges that Long & Foster agents were urged to use mortgage firm Prosperity Mortgage, a joint venture of Long & Foster and Wells Fargo. Real estate agents allegedly were chastised for not using Prosperity Mortgage.

05/08/2009 12:22 PM

Public Housing

(BUDGET) More Money For Public Housing

After seven years of cuts in public housing programs, the new administration reverses the trend although realization of maximum financing to erase the maintenance deficits remains in the distance while the economy is reshaped.

The Sec. 8 housing voucher tenant-based program would receive \$17.8 billion, an increase from \$16.6 billion in 2009 and \$15.5 billion in 2008. The award focuses on financing 100,000 new vouchers by the end of 2010. Public housing authorities (PHAs) would receive \$1.5 billion of the total for administrative expenses. The fee amount drops \$10 million from the FY 2009 estimate but is about \$177 million more than FY 2008.

Sec. 8 landlords would be covered fully in their annual contracts with program tenants, a shift from the Bush administration's shuffling of project money to divert cash to other programs. The ploy resulted in late payments to many landlords and an exodus by some from the program.

The program would receive \$8.1 billion, down by \$1.2 billion from the FY 2009 appropriation (extra money was allocated to cover earlier shortages) but up \$1.5 billion from FY 2008.

The public housing capital fund would dip \$250 million from the FY

2008 appropriation but it had a \$4 billion boost in HR 1, the American Recovery & Reinvestment Act (economic stimulus) approved by Congress in February to help erase some of the estimated \$22 billion public housing maintenance backlog and provide rehabilitation jobs for thousands of workers. The capital fund received \$2.5 billion in the last actual Bush administration budget.

Public housing operations would receive a major increase to help make up for years of operating deficits when the Bush White House forced PHAs to operate under increasingly scaled-down allocations. In the final year of the Bush presidency, PHAs were operating under appropriations as low as 81% of actual maintenance need. Now, operations would get \$4.6 billion or 100% of the estimated eligibility for operating subsidies under the present operating formula.

The bulk of operating money devoted to a single cost now centers on utilities – water, sewer, electricity, gas and fuel – which consume almost 25% of the total.

The new Choice Neighborhoods Initiative (CNI), the replacement for HOPE VI, would receive \$250 million in seed money to provide competitive grants to PHAs, local governments, nonprofit and for-profit developers to help transform HUD public and assisted housing in extreme poverty neighborhoods into mixed-income neighborhoods much along the line of HOPE VI but with a narrower focus.

CNI money in its initial phase complements the Neighborhood Stabilization Program (NSP) initiated in the stimulus law. CNI would allow grants to be used for resident and community services, community development and affordable housing activities, multifamily or single family property disposition, including conversion of such properties to affordable housing.

Meanwhile, the HOPE VI program demolished 91,910 units and completed 75,363 new units. The program relocated 72,346 public housing families.

Native American housing block grants would receive \$645 million, up from \$556 million in FY 2008 but down from the FY 2009 \$1.3 billion allocation.

05/08/2009 11:48 AM

For Your Information

Community Development Commission

April 30, 2009

FOR YOUR INFORMATION ONLY

TO: Each Supervisor

FROM: *Bobbette A. Glover*
for Cordé D. Carrillo, Acting Executive Director

SUBJECT: **UPDATE ON THE PURSUIT AND IMPLEMENTATION OF FUNDING
MADE AVAILABLE IN H.R. 1, THE AMERICAN RECOVERY AND
REINVESTMENT ACT (ARRA) OF 2009**

On March 31, 2009, the Board of Supervisors requested that the Community Development Commission/Housing Authority of the County of Los Angeles (CDC/HACoLA) report on the efforts to apply for, or take the necessary steps to accept, each category of funding contained within ARRA that the CDC/HACoLA is eligible to receive either by formula or by competitive grant application. Please find this memorandum as the first monthly progress report on the funding for which the County is eligible.

ARRA Funding Opportunities

Public Housing Capital Fund (CF) - See funding amounts below.

Both formula and competitive funding allocations are available for the CF in ARRA. The funding is available for the capital and management activities of public housing agencies (PHAs) with the exception that funds cannot be used for operations or rental assistance. There is a \$100,000 administrative cap on the formula funds.

Formula Allocation - \$7,401,512 (by formula)

Applying for the Funds: The U.S. Department of Housing and Urban Development (HUD) published a Notice of Funding Availability (Notice) for the CF on March 18, 2009. On March 31, 2009, the Board of Supervisors approved a motion to accept the grant funds.

Using the Funds: These funds will be used for security, energy efficient work measures, preventive maintenance, and general improvements to 12 public housing sites that accommodate almost 2,500 units.

Funding/Expenditure Levels: \$7.4 million has been allocated by formula to HACoLA. There are no expenditures to date. Once funds are received, however, 100% of the funds must be obligated within 1 year, with 60% expended in 2 years, and 100% in 3 years.

Competitive Allocation - Competitive funding amount is not known at this time.

Applying for the Funds: HUD has yet to publish a Notice with detailed application information. The HACoLA will begin developing the application as soon as the information is available.

Using the Funds: The HACoLA will recommend that funding received by competition be utilized for the upgrade of the electrical and irrigation systems as well as landscape improvements at our major public housing developments.

Funding/Expenditure Levels: \$995 million will be allocated nationally based on a competitive basis. There are no expenditures to date. Funds will be awarded through a competitive process by September 30, 2009. PHAs must obligate 100% of the funds within 1 year of the date on which funds become available to an agency for obligation. Additionally, it is required that at least 60% of funds be expended within 2 years from the day the funding is made available to an agency, and 100% of the funds within 3 years of such date.

Community Development Block Grant (CDBG) - \$7,977,162 (by formula)

CDBG funding will be allocated by formula. Eligible uses of the funding align with the existing CDBG program, which enables local governments to undertake a wide range of activities intended to create suitable living environments, provide decent affordable housing, and create economic opportunities, primarily for persons of low- and moderate-income. No administrative cap has been identified.

Applying for the Funds: The CDC will not begin developing an application for funding until HUD releases its Notice outlining the applicable eligible programs and application requirements. However, the CDC is aware of the requirement that awarded contracts be based on bids received within 120 days from the date that funds are made available. As such, projects have already been identified by our Divisions and 47 participating cities, for whom the CDBG Division administers community development activities.

Using the Funds: ARRA requires that job creation be a priority. Therefore, it is likely that any eligible activities would need to demonstrate job creation or retention. Subrecipients have yet to be identified as the applicable regulations are expected to be released in the upcoming HUD Notice.

Funding/Expenditure Levels: \$7.9 million will be allocated by formula to the CDBG program. There are no expenditures to date.

Neighborhood Stabilization Program (NSP) - Competitive funding amount is not known at this time.

NSP funding will be competitively allocated, although the administrative cap and level of funding for which the CDC will apply are unknown, as a HUD Notice has yet to be published. Eligible uses for the funding, however, include acquisition, disposition, relocation, direct homeownership assistance, housing rehabilitation, clearance (for blighted structures only), public facilities and improvements, new housing construction, housing counseling, and capacity building.

Applying for the Funds: HUD will publish a Notice outlining the NSP funding application requirements no later than May 3, 2009. All applications are due within 150 days of the

enactment of ARRA. The CDC will begin developing the application as soon as the information is available.

Using the Funds: The CDC is waiting for the HUD Notice to be published, in order to review the feasibility of applying for this funding.

Funding/Expenditure Levels: \$2 billion will be allocated nationally based on a competitive basis. There are no expenditures to date. Once funds are received, however, ARRA specifies that 50% of the funds are to be expended within 2 years, and 100% in 3 years.

Homelessness Prevention and Rapid Re-Housing Program (HPRP) - \$12,197,108 (by formula)

HPRP funding was allocated by formula. Eligible uses include financial assistance, housing relocation and stabilization services, data collection and evaluation, and administration. There is a 5% administrative cap estimated at \$609,855.

Applying for the Funds: HUD published a Notice on March 19, 2009, outlining the application process for HPRP funding. The CDC completed the application and filed a Board letter to obtain approval to submit the application to HUD. The action was approved at the April 28, 2009, Board meeting. The CDC will submit a completed application for HPRP funding by HUD's deadline of May 18, 2009. A Grant Agreement is expected to be executed on or before September 1, 2009.

Using the Funds: County Departments will carryout eligible activities and the Los Angeles Homeless Services Authority will provide data collection and evaluation services by using HUD's Management Information System (MIS). The CDC will administer all contracts, as well as monitor and report on the grant.

Funding/Expenditure Levels: Of the \$1.5 billion made available nationally by ARRA, \$12.1 will be allocated by formula to the CDC. There are no expenditures to date. Once funds are received, however, 60% of the funds must be expended within 2 years, and 100% in 3 years.

Assisted Housing/Energy Retrofit - Funding amount is not known at this time.

HUD has not specified whether these funds will be allocated on a formula or competitive basis, and it is unclear how much funding will be available to the County. The funds, however, can be used to make energy and green retrofit investments to properties, to ensure the maintenance as well as preservation of the property or continue operation and maintenance of energy efficiency technologies, in addition to the timely expenditure of funds.

Applying for the Funds: Complete details on how to apply (including grant/loan terms) were originally to be published in a HUD Notice by April 17, 2009. Yet, as of the date of

this summary, no such information has been released. The HACoLA will begin developing the application when this information becomes available.

Using the Funds: Depending on what the HUD Notice allows, the HACoLA would like to use the funding to renovate and retrofit aging public housing units as well as those needing energy efficiency for Section 202, Section 811, and project-based Section 8 units. Although the CDC/HACoLA does not own or manage any Section 202 or Section 811 units, the HACoLA is interested in pursuing funding for the modernization and rehabilitation of project-based Section 8 units.

Funding/Expenditure Levels: \$250 million will be allocated nationally based on a competitive basis. The HACoLA must spend the grant and/or loan funds within 2 years. There are no expenditures to date.

Juvenile Justice and Crime Prevention Program (JJCPA)/Edward Byrne Memorial Competitive Grant Program - (Of the total \$225 million available, the CDC will apply for \$975,283.)

Edward Byrne Memorial Competitive Grant Program funding will be allocated on a competitive basis. This funding is available to assist state, local, and tribal jurisdictions in improving the criminal justice system, providing assistance to victims of crime (other than compensation) and supporting communities in preventing drug abuse and crime. In addition, ARRA authorizes Byrne Competitive grant funding for "youth mentoring grants." The CDC will be requesting a 10% administrative allowance.

Applying for the Funds: The CDC submitted an application on April 27, 2009 and may be one of several County Departments submitting an application for these funds.

Using the Funds: The CDC has applied for \$975,283 in funding to support existing JJCPA programs.

Funding/Expenditure Levels: \$225 million will be allocated nationally based on a competitive basis. There are no expenditures to date.

Economic Development Administration (EDA) - Competitive funding amount not known at this time.

EDA funding will be allocated on a competitive basis. The funding can be used to promote comprehensive, entrepreneurial and innovation-based economic development efforts to enhance the competitiveness of regions, resulting in increased private investment and higher-skill, higher-wage jobs in regions that have experienced sudden and severe economic dislocation and job loss due to corporate restructuring.

Applying the Funds: The U.S. Department of Commerce released the Notice for this funding on March 10, 2009. Applications for this funding are taken on a continuous basis and processed as received. The CDC will provide further information regarding the pursuit of this funding opportunity in the near future.

Each Supervisor
April 30, 2009
Page 5

Using the Funds: The CDC is currently assessing the feasibility of applying for this funding.

Funding/Expenditure Levels: \$150 million will be allocated nationally based on a competitive basis. There are no expenditures to date.

If you have any questions, please contact me at (323) 890-7400, or Terry Gonzalez, Director, CDBG Division, at (323) 890-7150.

CC\TG\SH\nm

H:\SH\1 Legislation\Congress\1st Bill of 2009\HR 1- American Recovery & Reinvestment Act 2009 (ARRA)\4 Monthly Board Report on Fund Spending\090411\090430 ARRA Board Update.doc

c: Each Deputy
Lari Sheehan, Deputy Chief Executive Officer, Chief Executive Office
Sachi A. Hamai, Executive Officer, Chief Executive Office

Community Development Commission of the County of Los Angeles

Major Budget Proposals
President's Proposed Budget for Federal Fiscal Year (FFY) 2010
May 11, 2009

The President's Budget (Budget) restores and increases funding for many of the U.S. Department of Housing and Urban Development (HUD) programs, as well as reforming or eliminating duplicative and inefficient programs.

Funding of Existing Programs

- **Fully funded at \$4.4 billion, \$4.1 billion is provided by formula for the Community Development Block Grant (CDBG) program.** These funds are meant to ensure that communities continue to invest in and expand on economic opportunities for low-income families. In addition, the implementation of a more effective formula, appropriate incentives and accountability measures, and a new Sustainable Communities Initiative (see "funding of new programs" below), will revamp the CDBG program to better target funds to distressed communities, and promote sustainable, as well as economically viable communities. **NOTE:** With this Budget, the CDC estimates that the County may receive an increase of approximately \$7 million, placing CDBG at about \$37 million annually.
- **\$1.8 billion is provided for the HOME Investment Partnerships Program.** This program provides flexible annual formula grant assistance to States and units of local government to increase the supply of affordable housing, and expands homeownership for low- to very-low income persons. Funding for this program has stayed level with the amount allocated in FFY 2009.
- **\$16.1 billion is provided for the Housing Choice Voucher Program for renewed contracts through the Tenant-Based Rental Assistance Program.** This funding is an increase from the \$14.5 billion allocated for FFY 2009. A robust Housing Choice Voucher program will help more than two million extremely low- to low-income families with rental assistance to live in decent housing in neighborhoods of their choice. HUD will also introduce legislative reforms to help fully utilize available funding, alleviate the administrative burdens on the Public Housing Authorities, and establish a funding mechanism that is transparent as well as predictable, in order to serve more needy families.
- **\$8.1 billion is provided for the Project-Based Rental Assistance Program.** This funding is an increase of \$1 billion from FFY 2009. The Project-Based Rental Assistance program will preserve approximately 1.3 million affordable rental units through increased funding for contracts with owners of multifamily properties. This critical investment will assist low- and very low-income households in obtaining decent, safe, and sanitary housing in private accommodations.
- **\$1.7 billion is provided for the McKinney Vento Homeless Assistance Program.** This includes an additional \$140 million to finance new activities, \$1.5 billion to renew and/or amend existing homeless assistance grants, and \$150 million for

Emergency Shelter Grants. The documents state that HUD fully supports Congressional efforts to consolidate and streamline existing homeless programs, and it intends to continue the focus on homeless prevention that was initiated in the Recovery Act.

- **\$2.2 billion is provided for the Public Housing Capital Fund.** This is a decrease of \$206 million from FFY 2009. The Obama administration justifies this decrease due to the \$4 billion appropriated for Capital Fund in the American Recovery and Reinvestment Act (ARRA) of 2009.
- **\$4.6 billion is provided for the Public Housing Operating Fund.** This is an increase of \$145 million over FY 2009. Operating subsidies are provided to public housing agencies to assist in funding the operation and maintenance expenses of public housing units.

Funding of New Programs

- **\$250 million is provided for the Choice Neighborhoods Initiative.** This is a new program which replaces HOPE VI and makes a range of transformative investments in high-poverty neighborhoods where public and assisted housing is concentrated. As funding is awarded based on competition, the impact of this initiative is not known at this time.
- **\$117 million is provided for the Green Retrofit Program for Multifamily Housing.** This is a new program that offers either a grant or loan to owners of eligible HUD-assisted multifamily housing properties to fund Green Retrofits, which are intended to reduce ongoing utility consumption, benefit resident health, and/or benefit the environment. This program was initially funded under ARRA and the \$117 million provided in the Budget is an additional amount. This program is possibly a competitive funding source.
- **\$150 million is set-aside within CDBG's \$4.4 billion to provide for a Sustainable Communities Initiative.** This is a new program whose objective is to improve the coordination of transportation and housing investments that result in more regional and local sustainable development patterns, reduced greenhouse gas emissions, and more transit-accessible housing choices for residents. These funds will stimulate more integrated regional planning to guide State, metropolitan, and local investments/reforms in land use, transportation, and housing. The Initiative will have three components.

Funding Eliminated

- **Funding is eliminated for the American Dream Downpayment Initiative (ADDI).** ADDI is considered duplicative of larger programs that achieve similar results. By eliminating this separate funding source, HUD aims to streamline its resources and focus its efforts on programs that are more successful.

- **Funding is eliminated for the Brownfields Economic Development Initiative (BEDI) and the Budget does not provide any funding for CDBG's Section 108 Loan Guarantee program.** In the past, the CDC has successfully utilized Section 108 loans and, although we have not directly accessed the program, we are disappointed to see that Brownfields Economic Development funding is being eliminated.

FOR YOUR INFORMATION ONLY

From: Elisa Vasquez
Sent: Monday, May 11, 2009 11:06 AM
To: Directors/Managers
Cc: Daniel Rofoli; Debra Solis; Elisa Vasquez; Geoffrey Siebens; Gloria Ramirez; Grace Thamawatanakul; Gregg Zawczynski; Joan Wall; Jose Pilpa; Lynna Ochoa; Marcie Miranda; 'meiwen fang'; Nicholas Teske; Raymond Webster; Samantha Harrison
Subject: Legislative Update

Attachments: 090511 County Request for Pres Budget Analysis (Lucy).doc
 Hello,

Below please find an update on State and Federal legislative activity. Please let me know if you have any questions.

State Budget

On May 19th, voters will participate in a Special Election which includes a package of measures meant to fill the gap that remained after lawmakers cut services and raised taxes to fill a budget hole figured to be more than \$40 billion through the end of the next Fiscal Year (FY). A recent poll by the Public Policy Institute of California shows that five of the six propositions on the ballot were running behind. The only measure that was ahead was Proposition 1F, which would prohibit Legislators from drawing raises in years of shortfall. The Legislative Analysts Office (LAO) has projected that if the propositions are not passed, California would be forced to borrow as much as \$23 billion in the first part of the next FY. If the State is not able to borrow sufficient funding, the LAO warned, then "local governments, vendors and perhaps in some dire scenarios, state employees" would be subject to payment delays.

Juvenile Justice Crime Prevention Act (JJCPA)

At the end of April, Housing Management staff attended a meeting hosted by the LA County Department of Probation regarding funding cuts to the JJCPA program that resulted from the State budget crisis. Both the City and County of Los Angeles Housing Authorities have received funding cuts. HACoLA's allocation was cut from \$573,293 to \$506,098 for FY 09/10, and another 9% decrease is anticipated for next year. Housing Management has applied for a JJCPA grant made available through ARRA to help lessen the impact of the funding cuts.

State Legislation

As mentioned previously, on April 27th, the CDC sent a letter of opposition to the Assembly Committee on Jobs, Economic Development, and Economy regarding A.B. 1139, which makes drastic changes to the Enterprise Zone program. The letter writing campaign was very successful with over 220 letters of opposition registered with the Committee. Ultimately, the bill has been held and is not expected to be reintroduced until 2011. As the provisions that impact the CDC may be incorporated into another piece of legislation, however, IGR will continue to monitor all legislation related to the Enterprise Zone program.

Federal Legislation

We have been informed that the Section Eight Voucher Reform Act (SEVRA) legislation will be reintroduced this year. IGR is working with Assisted Housing and Housing Management to review the draft bill language and will report on any relevant action in the future.

Federal Budget

The White House began rolling out the President's complete Federal Fiscal Year (FFY) 2010 budget proposal last week. In the documents released, the actual FFY 2010 gross budget request for HUD was 10.8% more than in FFY 2009. In this, increases are proposed for a number of core HUD programs, including the Public Housing Operating Fund, the CDBG program, and homeless assistance grants. At the same time however, the President's Budget would replace or eliminate several key housing and economic development programs, including HOPE VI, the Section 108 Loan Guarantee program, and the American Dream Downpayment Initiative (ADDI). IGR and the Policy Legislative Committee have reviewed the President's Budget for FFY 2010 and have sent the attached summary to the CEO.

Thanks,
 Elisa

Contract Status Report

FOR YOUR INFORMATION ONLY

Project Filter Options	Program: All Programs	Proj. Manager: All Managers
	Department: All Departments	Team Member: All Team Members
District: All Distr.	Dev. Stage: Active	Fund Source: All funds

District	Project Name	Contractor Name	Status				Pending Action / Forecast
			Original Contract Amount	Current Contract Amount	% Cng Orders	Approved Payments	%Cmpl
1st	Nueva Maravilla Termite Abatement I & II (4919)	AZ HOME	\$99,594	\$99,594	0%	\$32,848	33%
	Tracker #: TP002629						Office area, Rosas are complete, 70% complete in Palmas. Project will be completed ahead of schedule..
2nd	1100-1104 W 106TH DRAINAGE CORRECTIONS	Y & M Construction, Inc.	\$11	\$11	0%	\$0	0%
	Tracker #: TP001987						After discussing the possibility of adding the swale along the block wall, the consultant determined that it was not possible to locate a new swale at the block wall because the bottom of the swale would undermine the footing of the block wall.
Contractor has resumed work since the decision but has had some problems contacting the DPW Inspector regarding changes in catch basin manufacture.							
Contractor was contacted on 05.04.2009 that DPW Inspector is ok with change if Consultant has approved the change. Contractor was instructed to have two copies of approved RFI's at the site, one of which the DPW Inspector may take once he is at the site.							
2nd		Y & M Construction, Inc.	\$103,814	\$103,814	0%	\$0	0%
2nd	Woodcrest I & II Roof and Exterior Improvements	Spec. Construction Co., Inc.	\$248,770	\$248,770	0%	\$0	0%
	Tracker #: TP002737						The pre-con was conducted on April 27th. Construction will start on May 11th. CDBG funded work will be completed by the end of June.
3rd	Kings Road Elevators Assessment	M.L. CONSTRUCTION	\$0	\$0	0%	\$0	0%
	Tracker #: TP002647						ML Construction is the lowest responsible bidder (\$791,600) and is been recommended.
Approvals: BOS May 12, 2009							
4th	Carmelitas Gas Lines Phase IV	M.L. CONSTRUCTION	\$1,453,120	\$1,614,268	11%	\$1,156,198	72%
	Tracker #: TP002725						ML Construction started August 25, 2008. Completed 27 buildings all except building 83 and Administration building for a total of 155 units. Completed laundries 105.

District Project Name		Contractor Name	Original Contract Amount	Current Contract Amount	% Cng Orders	Approved Payments	%Cmpl	Status Pending Action / Forecast
4th	Carmelitos Seniors Exterior Improvements Tracker #: TP002300	Tobo Construction, Inc.	\$352,552	\$352,552	0%	\$0	0%	Contractor will start construction on 05.11.2009. Construction to be completed by 07.31.2009. The contractor has been made aware of expenditure deadline and will be pushed to complete earlier.
4th	Harbor Hills Kitchen Remodel - Phases I & II Tracker #: TP002376	GIBALTAR CONSTRUCTION Co. Inc.	\$1,170,000	\$1,170,000	0%	\$163,800	14%	Construction is completed, HOWEVER, corrections have not been completed yet. Because of quality issues, a second WI inspector will inspect the cabinetry and the Contractor will be issued a correction list from all three (CDC, 1st WI inspector, & 2nd WI inspector) to reduce the amount of times the tenants are disturbed. The 2nd WI inspector will be inspecting on 05.11.2009 and 05.12.2009 with her report to follow within 1 week.
4th	Marina Manor II (Elevators Upgrades) Tracker #: TP002380	M.L. CONSTRUCTION	\$1,301,000	\$1,301,000	0%	\$1,116,408	86%	Elevator No. 3 [4th. story bldg.] State certification November 25 completed. Elevator No. 4 [4th. story bldg.] State certification January 19. Completed 8th story building -elevator No. 2 State certification February 10 completed. 8th story building -elevator No. 1 started work Feb 11; State certification May 27
4th	Sundance Vista Landscaping Tracker #: TP002008	Belaire-West Landscape, Inc.	\$111,286	\$111,286	0%	\$0	0%	Pre-construction meeting was held on 4/13. Belaire-West Landscape Inc. (BWL) is the awarded contractor and was to conduct an assessment test on the existing irrigation system. A site meeting will then be scheduled to discuss further action. Notice to Proceed was issued on 4/27. Contractor provided a work schedule on 5/4 so that HM can notify the residents of the scope. Contractor was put on notice to cover all open trenches and cover any exposed wirings and/or conduits at site on 5/4. A site meeting is scheduled with the contractor and architect on 5/10.

District	Project Name	Contractor Name	Status				
			Original Contract Amount	Current Contract Amount	% Cng Orders	Approved Payments	%Cmpl Pending Action / Forecast
All Distr.	Various Sites Smoke Detectors Part 2 Tracker #: TP002682	J. G. MENDOZA ELECTRICAL, INC.	\$0	\$0	0%	\$0	0% 5/5 Foothill Villa: Work completed on 4/28. Final inspection was done on 5/4. CMD is processing final payment. Contract with J. G. Mendoza.
							Orchard Arms: Construction is scheduled to be completed by 5/7. Final punch list inspection is scheduled for 5/7. Contract with OVC.
							Whittier, Francisquito, and Arizona (bid phase): Bid opening was conducted on 4/15. First lowest bidder did not withdraw from the process. Second bidder did not acknowledge addendum #1. The third bidder's reference is checked and CMD met with the lowest bidder and is completing the review and preparing the non-award letters.
							5/5 CMD will recommend the award of the construction Contract.
All Distr.		J. G. MENDOZA ELECTRICAL, INC.	\$17,883	\$17,883	0%	\$17,883	100%
All Distr.		Omni Valley Construction	\$24,500	\$24,500	0%	\$12,250	50%
TOTALS:			\$4,882,528	\$5,043,677	3%	\$2,499,386	

Housing Authority - County of Los Angeles

FOR YOUR INFORMATION ONLY

May 15, 2009

To: Each Supervisor



From: Corde D. Carrillo, Acting Executive Director

SUBJECT: MONTHLY PROGRESS REPORT ON THE SECTION 8 PROGRAM

Board Directives

On March 13, 2007, your Board instructed the Housing Authority of the County of Los Angeles (HACoLA) to submit monthly progress reports to remove the Section 8 Housing Choice Voucher Program from its troubled status under the Section 8 Management Assessment Program (SEMAP). In addition, HUD requested monthly reports to the Board on the Family Self Sufficiency (FSS) Program in reference to our Corrective Action Plan (CAP) for FY 2006-07. On June 17, 2008, your Board requested progress reports in obtaining Veteran Affairs Supportive Housing (VASH) Program vouchers. Most recently, on April 7, 2009, your Board instructed HACoLA to submit monthly reports on the status of delinquent reexaminations.

Corrective Action Plan (CAP) for FYE 2007

HACoLA and HUD finalized a CAP that was approved by your Board on December 16, 2008 with thirty-four (34) PHA strategies. Four monthly submissions addressing all 34 strategies have been sent to HUD. HUD has confirmed that at least 17 of the 34 strategies have been closed. HACoLA is awaiting approval of the remaining strategies to remove the Section 8 program from its "Troubled" status rating.

Reexaminations

As of May 12, 2009, the HACoLA internal tracking system (Yardi) reflects 3,640 delinquent reexaminations out of 15,464 reexaminations, based on reexaminations that were due within 12 months from that point in time. The 3,640 delinquencies consist of 2,246 reexaminations to be completed by HACoLA and 1,394 to be completed by McKay Management Services.

The number of pending reexaminations to be completed is an estimate due to participants being terminated from the program, vouchers porting in and out to other housing authorities, participants in the process of moving from one unit to another, and completed reexaminations during each reporting period.

We would like to point out that there is a variance between the May 6, 2009 report sent to your Board last week and the attached May 12th Report. This is due to 54

recertifications which were credited to McKay Management Services (McKay), but actually completed by HACoLA in April 2009. McKay's contract became effective on April 7, 2009.

From April 1, through May 12, 2009, HACoLA staff completed 2391 annual reexaminations. McKay Management completed 348 annual reexaminations during its first month. HACoLA trained McKay staff on HACoLA computer systems, including Yardi, Laserfiche, Rentellect, LEADER, etc. McKay Management Services hired staff, set up a toll-free number to assist HACoLA clients 24 hours a day, mailed out 3,287 annual reexamination packets to clients for June and July 2009, and contacted families who failed to return their reexamination packets, and researched packets that were returned undeliverable.

As of April 30, 2009, the HUD Public Housing Information Center (PIC) reflects 1,239 delinquent reexaminations out of 18,467 active contracts in the system based on a 14 month cycle. The 18,467 reflects all active contracts in the system, regardless of whether a reexamination is due or not.

OIG Audit on Tenant Eligibility and Annual Reexaminations FY 2005 and 2006

HUD reported that all recommendations related to this audit finding have been satisfactorily closed except for recommendation 1M, the repayment of \$1 million. On April 7, 2009, your Board approved the \$1 million three-year repayment agreement and an enabling resolution. The first payment for \$83,333.33 was issued by April 30, 2009.

HUD OIG Financial Audit for Fiscal Years 2005 and 2006

An OIG financial review began in July 2008, and an audit began in January 2009, for Fiscal Years 2005 and 2006. The OIG final report was issued on 4/24/09. The report recommended that the Director of HUD's Los Angeles Office of Public Housing (PIH) require HACoLA to repay the Section 8 program \$2.9 million from nonfederal funds of the \$5 million in over allocations charged to restricted funds.

The HUD field office responded to the final OIG audit report in a letter dated April 29, 2009 recommending that HACoLA repay the Section 8 Program \$2,953,443 from nonfederal funds for over-allocations that were charged to the program. HACoLA's response is due May 29, 2009.

HACoLA will request Board approval to repay the Section 8 Program this amount.

Corrective Action Plan (CAP) for FYE 2006

All CAP items for FYE 2006 have been closed. A member of the Housing Commission Advisory Board who had not completed the Housing Choice Voucher Program training resigned. No further action is required.

Family Self-Sufficiency (FSS) Program Status

The FSS program helps participating voucher families obtain employment that will lead to economic independence and self-sufficiency. Per HACoLA's internal Yardi system, assigned slots for the FSS Program are for 753 families because 29 of the original 782

families have graduated from the program. We are not required to replace the 29 families. Our internal reporting rate reflects 464 families enrolled out of 753 (61.6% rate), with 152 families (32.8% %) having escrow balances. Escrow accounts are established for families when they earn additional income as a savings to assist them in becoming self-sufficient. Additional earned income is not factored in when calculating their rent contribution. HACoLA is maintaining over a 60% enrollment rate and 30% escrow balances to achieve 8 out of 10 points on this SEMAP indicator. Outreach is being conducted to recruit new Section 8 program participants.

VASH

Since the last reporting period, the Los Angeles County Department of Military and Veterans Affairs (DMVA) has referred ten clients to the VASH Program in the City of Los Angeles and the City of Long Beach; two were accepted. HACoLA has provided DMVA with 25 Section 8 Homeless Set-Aside Program vouchers from HACoLA, in addition to the previous 50.

Section 8 Call Center

The call center averaged 2,175 calls per week and 8,700 total calls for the period of April 14 through May 12, 2009. The average wait time was 2 minute, 5 seconds.

For a 28-day period between April 13 and May 11, 2009, the Los Angeles Housing Resource Center (Socialserve.com) averaged 9,033 total listings; there were 5,562 landlords who provided property listings, and 135,545 housing searches were conducted.

Please contact me at (323) 890-7400 if you have any questions or need additional information.

CDC:MB:ML:dt

c: Lari Sheehan, Deputy Chief Executive Officer
Sachi A. Hamai, Executive Officer/Clerk Board of Supervisors
Each Deputy

Attachment



The Housing Authority of the County of Los Angeles



5/12/2009 Housing Choice Voucher Program (Section 8) Annual Recertifications

5/12/2009 Housing Choice Voucher Program (Section 8) Annual Recertifications									
		Calendar Month		Apr-09					
Anniversary Month	Total Due	Pending		Completed				Totals	
June	1,731	1,394	80.53%	N/A	109	228			337
July	1,527	1,516	99.28%	N/A	10	1			11
August	2,160	2,160	100.00%	N/A					
September									
Total	5,418	5,070	93.58%	N/A	119	229	0	0	348

Anniversary Month	Total Due	Pending		Completed				Totals	
September-08	1,464	94	6.42%	1,327	34	9			1,370
October-08	1,538	124	8.06%	1,336	47	31			1,414
November-08	1,489	153	10.28%	1,260	55	21			1,336
December-08	1,465	128	8.74%	1,304	24	9			1,337
January	1,346	164	12.18%	1,091	58	33			1,182
February	1,403	236	16.82%	1,031	103	33			1,167
March	1,307	223	17.06%	835	202	47			1,084
April	1,581	328	20.75%	709	421	123			1,253
May	2,140	796	37.20%	203	841	300			1,344
Total	13,733	2,246	16.35%	9,096	1,785	606	0	0	11,487

Total Since April

September 2009	Recertification packets have not been mailed to participants. Packets are scheduled to be mailed May 15, 2009
Anniversary Month	The month in which the recertification is due or 12 months from the previous recertification.
Total Due	The number or goal to be met for each month as of the date of this report; numbers may change due to terminations and participants moving from one unit to another, voiding the need for the recertification.
Pending	The number of recertifications in process (pending receipt or review of documents) as of the date of this report.
Completed	The number of recertifications that have been completed as of the date of this report.
Total Since April	The number of recertifications completed by HACoLA staff since the effective date of the McKay contract.

Housing Authority - County of Los Angeles

May 27, 2009

TO: Housing Commissioners
FROM: Margarita Lares, Director, Assisted Housing Division
RE: **THE FAMILY SELF-SUFFICIENCY PROGRAM**

FOR YOUR INFORMATION ONLY

The Family Self-Sufficiency (FSS) Program is a HUD initiative intended to assist Public Housing residents and Housing Choice Voucher Program participants achieve economic independence and self-sufficiency.

FSS Staff continued to move the program forward through the following:

- Recruited 8 new applicants for the program.
- Enrolled 13 new participants from the Family Self Sufficiency Waiting List.
- Processed 5 requests to graduate from the Family Self Sufficiency program.
- Scheduled nine participant graduations in April.
- Attended the monthly partnership meeting; continued to coordinate partnership activities with the Southeast Area Social Services Funding Authority (SASSFA).
- Attended a special monthly partnership meeting at HUB Cities WorkSource Center, where educational programs, employment and training opportunities, the Freedom of Choice Discount Pharmacy program, and the California Lifeline low income telephone service programs were discussed.
- Disseminated resource information on the WorkSource Network and Adult Education program during recruitment and case management activities.
- Referred 8 participants to job leads, utilizing the FSS employment network job board.
- Referred 9 FSS participants to the SASSFA, HUB Cities, Southeast LA-Crenshaw and L.A. Works WorkSource Centers for job search, training information, seminars, interview techniques and resume writing.
- Provided 5 Money Smart credit repair packets to participants, at their request.
- Assisted 1 participant with emergency transportation assistance (bus tokens) to insure continued employment.

The Family Self-Sufficiency Program

May 27, 2009

Page 2

- Referred 3 FSS participants to the CDC Home Ownership Program (HOP) per the tenant's request.
- Disseminated information on the Resident Scholarship Opportunity sponsored by the Community Development Foundation. Staff has confirmed that 34 FSS participants have applied for the scholarships.
- Conducted 3 Graduation ceremonies, graduating a total of 9 persons in April; increasing total number of graduates to 29 for this fiscal year.

If you have any questions, please feel free to contact me at (562) 347-4837.

ML:RM:WB:dt



**HOUSING AUTHORITY
of the County of Los Angeles**

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Gloria Molina
Mark Ridley-Thomas
Zev Yaroslavsky
Don Knabe
Michael D. Antonovich
Commissioners

Sean Rogan
Executive Director

May 27, 2009

Honorable Housing Commissioners
Housing Authority of the
County of Los Angeles
2 Coral Circle
Monterey Park, California 91755

Dear Commissioners:

**AUTHORIZE MEMORANDUM OF UNDERSTANDING BETWEEN THE HOUSING
AUTHORITY AND THE REGENTS OF THE UNIVERSITY OF CALIFORNIA
(ALL DISTRICTS)**

SUBJECT

This letter recommends approval of a Memorandum of Understanding between the Housing Authority and the Regents of the University of California to continue Cooperative Extension program services in Los Angeles County.

IT IS RECOMMENDED THAT YOUR COMMISSION:

1. Recommend that the Board of Commissioners find that the Memorandum of Understanding (MOU) between the Housing Authority and the Regents of the University of California is not subject to the provisions of the California Environmental Quality Act (CEQA) because the proposed services are not defined as a project under CEQA and will not have the potential for causing a significant effect on the environment.
2. Recommend that the Board of Commissioners approve and authorize the Executive Director to execute an MOU in the amount of \$430,000 with the Regents of the University of California to continue Cooperative Extension program services; and authorize the Executive Director to execute an MOU containing mutual indemnity and other contract provisions approved as to program by the Housing Authority's Risk Manager and as to form by County Counsel.
3. Recommend that the Board of Commissioners authorize the Executive Director to execute future MOUs between the Housing Authority and the Regents of the University of California containing the same or substantially similar contract provisions as those contained in the present MOU using funds to be requested through the Housing Authority's annual budget approval process.



4. Recommend that the Board of Commissioners authorize the Executive Director to use a total of \$430,000 in County General Funds included in the Housing Authority's approved Fiscal Year 2009-2010 budget for the purposes described herein.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

The purpose of this action is to renew the MOU between the Housing Authority and the Regents of the University of California to continue Cooperative Extension program services.

FISCAL IMPACT/FINANCING

The Cooperative Extension program services will be funded with \$430,000 in County General Funds included in the Housing Authority's Fiscal Year 2009-2010 budget.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

In 1993, the Board of Supervisors transferred the Cooperative Extension program from the Los Angeles County Department of Community and Senior Services to the Community Development Commission. Thereafter, the Housing Authority assumed responsibility for administering the program, which your Board approved, because of its close link in mission to the program. Since that time, the Cooperative Extension's budget has resided with the Housing Authority. For the past 16 years, the County and the Housing Authority have jointly supported the continuation of the Cooperative Extension program services.

The MOU between the Housing Authority and the Regents of the University of California provides County residents with training on subjects such as horticulture, nutrition and gardening, as well as 4-H youth development programming. The Cooperative Extension reaches more than 400,000 Los Angeles County residents each year through its various programs. Demand for Cooperative Extension programs has increased during the economic downturn and is anticipated to reach approximately 500,000 in the coming fiscal year.

The MOU contains a mutual indemnification provision at Paragraph 18, which requires each party to indemnify the other for any acts or omissions made by its respective employees. This provision has been approved as to program by the Housing Authority's Risk Manager and as to form by County Counsel. In the absence of this indemnification provision, the Regents of the University of California indicated that it would not enter into the MOU, thus jeopardizing the continuation of much needed Cooperative Extension program services. Specifically, Paragraph 18 provides that:

"In contemplation of the provisions of Section 895.2 of the Government Code of the State of California imposing certain tort liability jointly upon public entities solely by reason of such entities being parties to an agreement as defined by Section 895 of said Code, the parties hereto, as between themselves, pursuant to the authorization contained in Section 895.4 and 895.6 of said Code, will each assume the full liability imposed upon it, or any of its officers, agents, or employees by law for injury caused by a negligent or wrongful act or omission occurring in the performance of this MOU to the same extent that such liability would be imposed in the absence of Section 895.2 of said Code. To achieve the above-stated purpose, each party indemnifies and holds harmless the other party for any loss, cost, or expense that may be imposed upon such other party solely by virtue of said Section 895.2. Housing Authority and University agree to indemnify, defend and hold harmless each other against any and all liability, expense and claims arising from their respective acts or omissions. The provisions of Section 2778 of the California Civil Code are made a part hereof as if fully set forth."

Additionally, authority is being requested for the Executive Director to execute future MOUs between the Housing Authority and the Regents of the University of California to continue Cooperative Extension program services containing the same or substantially similar terms and conditions as those set forth in the present MOU.

ENVIRONMENTAL DOCUMENTATION

The MOU between the Housing Authority and the Regents of the University of California is exempt from the provisions of the National Environmental Policy Act pursuant to 24 Code of Federal Regulations § 58.34 (a)(3) because it involves administrative activities that will not have a physical impact on or result in any physical changes to the environment. The activities are not subject to the provisions of CEQA pursuant to State CEQA Guidelines 15060(c)(3) and 15378 because it is not defined as a project under CEQA and does not have the potential for causing a significant effect on the environment.

IMPACT ON CURRENT SERVICES

The execution of this MOU will continue services provided to Los Angeles County residents through the Regents of the University of California Cooperative Extension program.

Respectfully submitted,


for SEÁN ROGAN
Executive Director



**HOUSING AUTHORITY
of the County of Los Angeles**

Administrative Office

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323.890.7001 • TTY: 323.838.7449 • www.lacdc.org



**Gloria Molina
Mark Ridley-Thomas
Zev Yaroslavsky
Don Knabe
Michael D. Antonovich**
Commissioners

Sean Rogan
Executive Director

May 27, 2009

Honorable Housing Commissioners
Housing Authority of the
County of Los Angeles
2 Coral Circle
Monterey Park, California 91755

Dear Commissioners:

**ACCEPT RESIDENT OPPORTUNITIES AND SELF-SUFFICIENCY SERVICE
COORDINATORS GRANT FROM THE U.S. DEPARTMENT OF HOUSING AND
URBAN DEVELOPMENT (ALL DISTRICTS)**

SUBJECT

This letter requests authority to accept from the U.S. Department of Housing and Urban Development (HUD) a \$720,000 grant from the Resident Opportunities and Self-Sufficiency (ROSS) Service Coordinators Program. These funds will be used to implement a three-year supportive services program that fosters economic independence and housing self-sufficiency for families and promotes independent living for seniors residing at three conventional public housing sites.

IT IS RECOMMENDED THAT YOUR COMMISSION:

1. Recommend that the Board of Commissioners find that acceptance of the Resident Opportunities and Self-Sufficiency Resident Service Coordinators Program funds is not subject to the provisions of the California Environmental Quality Act (CEQA), as described herein, because the activities are not defined as a project under CEQA.
2. Recommend that the Board of Commissioners authorize the Executive Director to accept from the U.S. Department of Housing and Urban Development a \$720,000 grant of Resident Opportunities and Self-Sufficiency Service Coordinators Program funds, which will be used to implement a three-year supportive services program that fosters economic independence and housing self-sufficiency for families and promotes independent living for seniors residing at three conventional public housing sites; and authorize the Executive Director to execute all documents required for receipt and implementation of the grant.



PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

The purpose of this action is to authorize the Housing Authority to accept from HUD \$720,000 in ROSS Service Coordinators Program funds to implement a comprehensive supportive services program. The goals of the ROSS Program are to foster economic independence and housing self-sufficiency for families and to promote independent living for seniors. The Program serves over 3,700 families, seniors, and persons with disabilities. This grant will be used to implement the Program for three years at three conventional public housing sites: Carmelitos in the City of Long Beach; Nueva Maravilla in unincorporated East Los Angeles; and Harbor Hills/Lomita Manor in the City of Lomita.

FISCAL IMPACT/FINANCING

There is no impact on the County general fund. The Housing Authority has been awarded \$720,000, which will be matched by over \$180,000 in in-kind services from community organizations and service providers throughout the three-year program agreement.

The first year allocation of \$240,000 is included in the Housing Authority's approved Fiscal Year 2009-2010 budget. The remaining \$480,000 will be distributed evenly over the next two fiscal years and will be included in the Housing Authority's annual budget approval process.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

In August 2008, the Housing Authority submitted a funding application to HUD under the 2008 ROSS Service Coordinators Program. For Fiscal Year 2008-2009, \$28 million was available for this program through a nationally competitive awards process.

In April 2009, HUD awarded the Housing Authority a \$720,000 grant. Funds will be used in the following HUD-approved budget line items: staff salaries/benefits (\$612,000); training costs (\$18,000); administrative costs (\$90,000).

ENVIRONMENTAL DOCUMENTATION

This project is exempt from the provisions of the National Environmental Policy Act pursuant to 24 Code of Federal Regulations Part 58, Section 58.34(a)(4), because it involves public service activities that will not have a physical impact on or result in any physical changes to the environment. The activities are not subject to the provisions of CEQA, pursuant to State CEQA Guidelines 15060(c)(3) and 15378, because they are not defined as a project under CEQA and do not have the potential for causing a significant effect on the environment.

Honorable Housing Commissioners
May 27, 2009
Page 3

IMPACT ON CURRENT PROGRAMS

The grant will enable the Housing Authority to implement programs and services that foster economic independence and housing self sufficiency for families and seniors.

Respectfully submitted,


 SEAN ROGAN
Executive Director



**HOUSING AUTHORITY
of the County of Los Angeles**

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Commissioners

Sean Rogan
Executive Director

May 27, 2009

Honorable Housing Commissioners
Housing Authority of the
County of Los Angeles
2 Coral Circle
Monterey Park, California 91755

Dear Commissioners:

**AWARD THREE CONTRACTS TO PROVIDE ELECTRICAL SERVICES AT
HOUSING DEVELOPMENTS COUNTYWIDE (ALL DISTRICTS)**

SUBJECT

This letter requests approval of three contracts to be awarded to Up-Grade Electric, Inc., Stephan Jones Electric, and Automated Switching & Controls, Inc. to provide needed electrical services to the Housing Authority.

IT IS RECOMMENDED THAT YOUR COMMISSION:

1. Recommend that the Board of Commissioners find that the approval of service contracts for electrical services is exempt from the provisions of the California Environmental Quality Act because the activities will not have the potential for causing a significant effect on the environment.
2. Recommend that the Board of Commissioners approve and authorize the Executive Director to execute, administer, implement and if necessary terminate one-year Electrical Service contracts (Contracts) with Up-Grade Electrical, Inc., Stephan Jones Electric, and Automated Switching & Controls, Inc., in an aggregate amount not to exceed \$50,000, to provide electrical services for the Housing Authority, to be effective following approval as to form by the County Counsel and execution by all parties.
3. Recommend that the Board of Commissioners authorize the Executive Director to execute amendments to the Contracts, following approval as to form by County Counsel, to increase the total amount of compensation by up to ten percent to cover unforeseen costs, modify the scope of work to address unforeseen issues, or make other non-monetary changes necessary for the administration and implementation of the Contracts.



4. Recommend that the Board of Commissioners authorize the Executive Director to extend the time of performance for up to four years, in one-year increments, at the same aggregate annual cost of \$50,000, using funds to be approved through the annual budget process.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

The purpose of this recommended action is to enter into three Contracts with Up-Grade Electric, Inc., Stephan Jones Electric and Automated Switching & Controls, Inc., to provide needed electrical services for the Housing Authority.

FISCAL IMPACT/FINANCING

There is no impact on the County general fund.

The Contracts will be funded with a total of \$50,000 in Capital Fund Program (CFP) funds included in the Housing Authority's Fiscal Year 2009-2010 approved budget. A ten percent contingency, in the amount of \$5,000, is being set aside for unforeseen costs. The Contracts may be extended for up to four additional years, in one-year increments, at the same annual cost. Funds for future years will be requested through the annual budget approval process.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

The Contracts will provide for electrical services at all housing sites. These services may be needed for regular maintenance or on an emergency basis. The use of electrical contractors is crucial in maintaining the safety and well being of the residents and employees.

The proposed services are being primarily federally funded, and are not subject to the requirements of the Greater Avenues for Independence (GAIN) Program or the Greater Relief Opportunity for Work (GROW) Program implemented by the County of Los Angeles. Instead, all three contractors must comply with Section 3 of the Housing and Community Development Act of 1968, as amended, which requires that employment and other economic opportunities generated by certain U.S. Department of Housing and Urban Development (HUD) assistance be directed to low and very low-income persons, particularly to persons who are recipients of HUD housing assistance.

Honorable Housing Commissioners
May 27, 2009
Page 3

CONTRACTING PROCESS

On February 20, 2009, an Invitation for Bid (IFB) process was initiated to identify electrical contractors who are able to provide needed electrical services for both the Community Development Commission and Housing Authority. Notices were mailed to 233 contractors identified from the Commission's vendor list. Announcements appeared in ten local newspapers and on the County's WebVen website. A copy of the IFB was posted on the Commission and Housing Authority's website.

A total of nine bids were received by the submission deadline of March 9, 2009. Four of the bids did not meet the requirements of the IFB and were determined to be non-responsive. The remaining five bids were ranked according to the lowest hourly rate. The three lowest bidders, Up-Grade Electric, Inc., Stephan Jones Electric, and Automated Switching & Controls, Inc., are being recommended for the Contract awards based on the criteria set forth in the IFB.

The Summary of Outreach Activities is provided as Attachment A.

ENVIRONMENTAL DOCUMENTATION

Pursuant to Title 24 of the Code of Federal Regulations, Section 58.35 (b) (3), this action is Categorically Excluded from the National Environmental Policy Act because it involves maintenance activities that will not alter existing environmental conditions. The action is exempt from the provisions of the California Environmental Quality Act (CEQA) pursuant to State CEQA Guidelines Section 15301 because it does not have the potential for causing a significant effect on the environment.

IMPACT ON CURRENT PROJECT

The three proposed Contracts will provide needed electrical services for the Housing Authority.

Respectfully submitted,


for SEAN ROGAN
Executive Director

Attachments: 2

ATTACHMENT A

Summary of Outreach Activities

Electrical Services

Beginning on February 20, 2009, the following outreach was initiated to identify electrical contractors who are able to provide needed electrical services for the Community Development Commission and the Housing Authority.

A. Newspaper Advertising

Announcements appeared in the following newspapers:

La Opinion
The Daily News
International Daily News
L.A. Sentinel
Eastside Sun
Los Angeles Times
Long Beach Press Telegram
Agua Dulce News
Antelope Valley Press
Wave Community Newspaper
The Westside
West Edition
East Edition

An announcement was also posted on the County's WebVen website and on the Commission Web Site.

B. Distribution of Notices

The Commission's vendor list was used to mail out the Invitation for Bids (IFB) to 233 electrical contractors, of which 140 identified themselves as firms owned by minorities or women (private firms that are 51 percent owned by minorities or women, or publicly owned businesses in which 51 percent of the stock is held by minorities or women). As a result of the outreach, nine bid packages were received.

C. Bid Results

On March 9, 2009 nine bids were received. The bid submitted by Silva-Mixon Lighting & Electrical Inc. was determined to be non-responsive because it was not sealed. The bid submitted by J.G. Mendoza Electric Inc. did not include all required documentation and was determined to be non-responsive. Delta Express Electric, Inc. and Dyson Electrical Contractors' hourly rates were less than U.S. Department of Labor and State of California's prevailing wages for electricians, so their bids were determined to be non-responsive. The remaining responsive bids were ranked according to hourly rate:

<u>Company</u>	<u>Hourly Rate</u>
Up-Grade Electric, Inc.	\$ 61.08
Stephan Jones Electric	\$ 65.00
Automated Switching and Controls, Inc.	\$ 76.58
Graphic Tech Electric, Inc.	\$ 78.00
MZN Construction, Inc.	\$ 90.00

The three lowest responsive bidders, Up-Grade Electric, Inc., Stephan Jones Electric, and Automated Switching & Controls, Inc., are being recommended for the Contract awards based on the criteria set forth in the IFB.

D. Minority/Women Participation – Selected Agency

<u>Name</u>	<u>Ownership</u>	<u>Employees</u>
Up-Grade Electric, Inc.	Non-Minority	Total 5 3 Minorities 2 Women 60% Minorities 40% Women
Stephan Jones Electrical	Minority Business Enterprise	Total 9 6 Minorities 2 Women 67% Minorities 22% Women
Automated Switching & Controls, Inc.	Women Business Enterprise	Total 13 10 Minorities 2 Women 77% Minorities 15% Women

E. Minority/Women Participation – Firms Not Selected

<u>Name</u>	<u>Ownership</u>	<u>Employees</u>
Silva-Mixon Lighting & Electric, Inc.	Minority Business Enterprise	Total: 2 1 Minorities 1 Woman 50% Minorities 50% Women
Delta Express Electric, Inc.	Minority Business Enterprise	Total: 12 9 Minorities 0 Women 75% Minorities 0% Women

MZN Construction, Inc.	Minority Business Enterprise	Total: 10 5 Minorities 4 Women 50% Minorities 40% Women
Graphic Tech Electric, Inc.	Minority Business Enterprise	Total: 18 15 Minorities 1 Woman 83% Minorities 6% Women
J.G. Mendoza Electric, Inc.	Minority Business Enterprise	Total: 6 5 Minorities 1 Woman 83% Minorities 17% Women
Dyson Electrical	Women Business Enterprise	Total: 1 0 Minorities 1 Woman 0% Minorities 100% Women

The Community Development Commission and Housing Authority conducts ongoing outreach to encourage participation by minorities and women in the contract award process, including: providing information at local and national conferences; expos and vendor fairs, and mailing information to associations representing minorities and women. The above information has been voluntarily provided to the Community Development Commission and Housing Authority.

The recommended award of Contract is being made in accordance with the Community Development Commission and Housing Authority's policies and federal regulations, and without regard to race, creed, color, or gender.

ATTACHMENT B

Contract Summary

Project Name: ELECTRICAL SERVICES
Location: 62 housing sites located throughout the Los Angeles County
Number: CDC09-038
Contract Start Date: July 1, 2009
Contractors: Up-Grade Electric, Inc., Stephan Jones Electric, and Automated Switching & Controls, Inc.
Purpose: The purpose of these contracts is to provide electrical services and other as-needed services to 62 housing sites operated or managed by the Housing Authority within the County of Los Angeles.

Scope of Work: See Attached Scope of Work

Term: Upon execution, the contracts shall remain in full force until June 30, 2010 unless sooner terminated or extended in writing.

Option to Renew: The Housing Authority has the option to renew the contracts for four additional one-year terms, unless sooner terminated or extended in writing.

Performance Review: A performance review shall be conducted no later than 90 days prior to the end of each contract year. Based on the assessment of the performance review, written notification will be given to each contractor whether the agreement will be terminated at the end of the current year or will be continued into the next contract year.

Compensation: The contractors shall be paid full compensation for the work required, performed, and accepted, at an annual amount not to exceed \$50,000, which is exclusive of all costs and expenses which will be deducted from the 10% annual contingency amount.



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**Gloria Molina
Mark Ridley-Thomas
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Commissioners

Sean Rogan
Executive Director

May 27, 2009

Honorable Housing Commissioners
Housing Authority of the
County of Los Angeles
2 Coral Circle
Monterey Park, California 91755

Dear Commissioners:

**AWARD CONTRACT TO PROVIDE LANDSCAPE MAINTENANCE SERVICES
(ALL DISTRICTS)**

SUBJECT

This letter requests approval of a contract with Parkwood Landscape Maintenance, Inc. to provide necessary landscape maintenance services to the Housing Authority.

IT IS RECOMMENDED THAT YOUR COMMISSION:

1. Recommend that the Board of Commissioners find that the approval of a contract for necessary landscape maintenance services is exempt from the provisions of the California Environmental Quality Act because the activities will not have the potential for causing a significant effect on the environment.
2. Recommend that the Board of Commissioners approve and authorize the Executive Director to execute, administer, implement and if necessary terminate a one-year Landscape Maintenance Service contract (Contract) with Parkwood Landscape Maintenance, Inc., in an amount not to exceed \$1,253,053, to provide necessary landscape maintenance services for the Housing Authority, to be effective following approval as to form by County Counsel and execution by all parties.
3. Recommend that the Board of Commissioners authorize the Executive Director to execute amendments to the Contract, following approval as to form by County Counsel, to increase the total amount of compensation by up to ten percent to cover unforeseen costs, modify the scope of work to address unforeseen issues, or make other non-monetary changes necessary for the administration and implementation of the Contract.



4. Recommend that the Board of Commissioners authorize the Executive Director to extend the time of performance for up to four years, in one-year increments, at the same annual cost, using funds to be approved through the annual budget process.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

The purpose of this recommended action is to enter into a Contract with Parkwood Landscape Maintenance, Inc. to provide necessary landscape maintenance services for the Housing Authority.

FISCAL IMPACT/FINANCING

There is no impact on the County general fund.

The Contract will be funded with \$1,253,053 from the following funding sources: Conventional Public Housing Operating funds allocated by the U.S. Department of Housing and Urban Development (HUD), Section 8 Project Based funds, and State Annuity funds through the Rental Housing Construction Program. All funds are included in the Housing Authority's Fiscal Year 2009-2010 approved budget.

A ten percent contingency, in the amount of \$125,305.30, is being set aside for unforeseen costs, using the same source of funds. The Contract may be extended for up to four additional years, in one-year increments, at the same annual cost. Funds for future years will be requested through the annual budget approval process.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

The Contract will provide for necessary landscape maintenance services at 62 housing sites located throughout the County. Under the proposed Contract, Parkwood Landscape Maintenance, Inc. will perform an estimated 3,704 hours of landscape maintenance services each month, depending on specific work needs approved by the Housing Authority. Regular services include trash pick-up, mowing, weeding, and bush and tree trimming. In addition, Parkwood Landscape Maintenance, Inc. will routinely maintain and repair the irrigation/sprinkler systems and power-wash the parking lots twice each year. Parkwood Landscape Maintenance, Inc. will also perform other services as needed at the direction of the Housing Authority.

The proposed services are being primarily federally funded, and are not subject to the requirements of the Greater Avenues for Independence (GAIN) Program or the Greater Relief Opportunity for Work (GROW) Program implemented by the County of Los Angeles. Instead, Parkwood Landscape Maintenance, Inc. must comply with Section 3 of the Housing and Community Development Act of 1968, as amended, which requires that employment and other economic opportunities generated by certain U.S.

Honorable Housing Commissioners
May 27, 2009
Page 3

Department of Housing and Urban Development (HUD) assistance be directed to low and very low-income persons, particularly to persons who are recipients of HUD housing assistance.

CONTRACTING PROCESS

On March 25, 2009, a Request for Proposal (RFP) process was initiated to identify a qualified contractor to provide landscape maintenance services for both the Community Development Commission and Housing Authority. Notices were mailed to 268 contractors identified from the Commission's vendor list. A copy of the RFP was posted on the Commission and Housing Authority's website.

Four proposals were received by the submission deadline of April 14, 2009. The proposals were evaluated by three representatives from the Commission and two representatives from the Housing Authority. Each proposer provided a Business Proposal and a Cost Proposal. After evaluating all proposals, the representatives recommended Parkwood Landscape Maintenance, Inc., for the Contract award.

The Summary of Outreach Activities is provided as Attachment A.

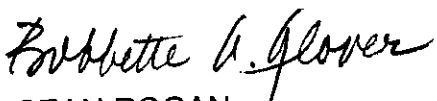
ENVIRONMENTAL DOCUMENTATION

Pursuant to Title 24 of the Code of Federal Regulations, Section 58.35 (b)(3) this action is excluded from the National Environmental Policy Act because it involves activities that will not alter existing environmental conditions. The action is exempt from the provisions of the California Environmental Quality Act (CEQA) pursuant to State CEQA Guidelines Section 15301 because it does not have the potential for causing a significant effect on the environment.

IMPACT ON CURRENT PROJECT

The proposed Contract will provide necessary landscape maintenance services for the Housing Authority.

Respectfully submitted,


for SEAN ROGAN
Executive Director

Attachments: 2

ATTACHMENT A

Summary of Outreach Activities

Landscape Maintenance Services

Beginning on March 25, 2009, the following outreach was initiated to identify landscape contractors who are able to provide necessary landscape maintenance services for the Community Development Commission and the Housing Authority

A. Announcement

An announcement was posted on the County's WebVen website and on the Commission Web Site.

B. Distribution of Notices

The Commission's vendor list was used to mail out the Request for Proposals (RFP) to 268 landscape contractors, of which 162 identified themselves as firms owned by minorities or women (private firms that are 51 percent owned by minorities or women, or publicly owned businesses, in which 51 percent of the stock is held by minorities or women). As a result of the outreach, four proposals were received.

C. Proposal Results

On April 14, 2009, four proposals were received. All four proposals met the minimum requirements and were forward to the five-member evaluation panel for further review. The evaluation committee used the "informed averaged" scoring methodology using a 1,000 points system as established in the solicitation package. The evaluation criteria consisted of qualifications (experience, background, references, etc.) approach to providing the services, quality control, Section 3, Living Wage Program and costs. The final evaluation results are as follows:

Rankings	Evaluation Score	Labor Vol. Deductions	Final Score
• Parkwood Landscape Maintenance, Inc.	922	0	922
• TruGreen Landcare	962	48	914
• Far East Landscape and Maintenance	884	0	884
• Wurzel Landscape	840	0	840

A request for information letter regarding labor violations was sent to the Labor Commission of the California Department of Industrial Relations for all four proposers. The response from the Labor Commission revealed labor violations for Parkwood Landscape Maintenance, Inc. and TruGreen Landcare. Staff's review of the documentation determined that the violations for Parkwood Landscape

Maintenance, Inc. were inconclusive. Therefore, no points were deducted. However, staff's review of TruGreen Landcare violations revealed undisclosed minor labor violations. As a result, five percent (48 points) was deducted from the evaluation score in accordance with the Commission's Living Wage Program policy.

Parkwood Landscape Maintenance, Inc. is being recommended for Contract award based on the evaluation criteria set forth in the RFP.

D. Minority/Women Participation – Selected Agency

<u>Name</u>	<u>Ownership</u>	<u>Employees</u>
Parkwood Landscape Maintenance, Inc.	Minority	Total: 80 78 (98%) Minorities 3 (4%) Women

E. Minority/Women Participation – Firms Not Selected

<u>Name</u>	<u>Ownership</u>	<u>Employees</u>
Far East Landscape & Maintenance, Inc.	Minority	Total: 18 17 (94%) Minorities 1 (6%) Women

Wurzel	Non-Minority	Total: 56 55 (98%) Minorities 1 (2%) Women
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TruGreen Landcare	Non-Minority	Total: 102 97 (95%) Minorities 9 (9%) Women
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The Community Development Commission and Housing Authority conducts ongoing outreach to encourage participation by minorities and women in the contract award process, including: providing information at local and national conferences; expos and vendor fairs, and mailing information to associations representing minorities and women. The above information has been voluntarily provided to the Community Development Commission and Housing Authority.

The recommended award of Contract is being made in accordance with the Community Development Commission and Housing Authority's policies and federal regulations, and without regard to race, creed, color, or gender.

ATTACHMENT B

Contract Summary

Project Name: LANDSCAPE MAINTENANCE SERVICES
Location: 62 housing sites located throughout the Los Angeles County
Number: CDC09-064
Contract Start Date: July 1, 2009
Contractor: Parkwood Landscape Maintenance, Inc.
Purpose: The purpose of this contract is to provide necessary landscape maintenance services to 62 housing sites operated or managed by the Housing Authority within the County of Los Angeles.

Scope of Work: See Attached Scope of Work

Term: Upon execution, the contract shall remain in full force until June 30, 2010 unless sooner terminated or extended in writing.

Option to Renew: The Housing Authority has the option to renew the contract for four additional one-year terms, unless sooner terminated or extended in writing.

Performance Review: A performance review shall be conducted no later than 90 days prior to the end of each contract year. Based on the assessment of the performance review, written notification will be given to the contractor whether the agreement will be terminated at the end of the current year or will be continued into the next contract year.

Compensation: The contractor shall be paid full compensation for the work required, performed, and accepted, at an annual amount not to exceed \$1,253,053, which is exclusive of all costs and expenses which will be deducted from the 10% annual contingency amount.



**HOUSING AUTHORITY
of the County of Los Angeles**

Administrative Office
2 Coral Circle • Monterey Park, CA 91755
323.890.7001 • TTY: 323.838.7449 • www.lacdc.org



**Gloria Molina
Mark Ridley-Thomas
Zev Yaroslavsky
Don Knabe
Michael D. Antonovich**
Commissioners

Sean Rogan
Executive Director

May 27, 2009

Honorable Housing Commissioners
Housing Authority of the
County of Los Angeles
2 Coral Circle,
Monterey Park, California 91755

Dear Commissioners:

**APPROVE THE TRANSFER OF GENERAL FUND RESERVES FROM THE
COMMUNITY DEVELOPMENT COMMISSION TO THE HOUSING AUTHORITY OF
THE COUNTY OF LOS ANGELES SECTION 8 ADMINISTRATIVE RESERVES**

SUBJECT

This letter recommends approval of the transfer of funds from the Community Development Commission (Commission) to the Housing Authority of the County of Los Angeles (Housing Authority) in Fiscal Year 2008-2009. This transfer will satisfy Recommendation 1A of the U.S. Department of Housing and Urban Development's Office of Inspector General (OIG) audit of the Housing Authority's financial management of the Section 8 program.

IT IS RECOMMENDED THAT YOUR COMMISSION:

1. Recommend that the Board of Commissioners authorize the Executive Director to accept from the Commission \$2,953,443 in general fund reserves to be transferred into the Housing Authority's Section 8 administrative reserves for Fiscal Year 2008-2009.
2. Recommend that the Board of Commissioners find that the acceptance of funds is not subject to the California Environmental Quality Act (CEQA) because the activities are not defined as a project under CEQA.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION:

The purpose of this action is to transfer \$2,953,443 from Commission general fund reserves to the Section 8 administrative reserves in order to satisfy Recommendation 1A of the OIG financial audit report number 2009-LA-1009, covering Fiscal Years 2004-2005 through 2007-2008.



FISCAL IMPACT/FINANCING

There is no impact on the County general fund. The \$2,953,443 will be transferred from the Commission's general fund reserves to The Housing Authority's Section 8 administrative reserves before the end of Fiscal Year 2008-2009.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

The U.S. Department of Housing and Urban Development's (HUD) Office of Inspector General (OIG) conducted an on-site Section 8 Financial Management Review of The Housing Authority's Section 8 program between July 2008 and February 2009. The review generally covered the period of July 1, 2004, through June 30, 2008. The review was conducted to determine if the Housing Authority managed and spent Section 8 funds in accordance with HUD rules and regulations. The final OIG audit report number 2009-LA-1009, issued on April 24, 2009, recommended the repayment of \$2,953,443 from nonfederal funds to the Section 8 administrative reserves, as a result of over-allocation of indirect administrative expenses charged in Fiscal Years 2004-2005 and 2005-2006.

Prior to the issuance of the final OIG audit report, a draft report was made available to the Housing Authority on March 24, 2009. On April 8, 2009, the Housing Authority submitted a formal response contesting Recommendation 1A of the draft report; however, Recommendation 1A remained unchanged in the final report.

The HUD Field Office issued a letter requiring the Housing Authority to respond to the OIG audit finding by May 29, 2009. The Housing Authority has no further objections to Recommendation 1A and the repayment will be made by transfer of Commission general fund reserves to the Housing Authority's Section 8 administrative reserves.

Outside counsel retained for purposes of evaluating and responding to the audit and County Counsel are in agreement to move forward with repayment of the funds into the Section 8 program.

ENVIRONMENTAL DOCUMENTATION

This action is exempt from the provisions of the National Environmental Policy Act pursuant to 24 Code of Federal Regulations, Part 58, Section 58.34 (a)(3) because it involves administrative activities that will not have a physical impact on or result in any physical changes to the environment. The action is not subject to the provisions of CEQA pursuant to State CEQA Guidelines 15060(c)(3) and 15378 because it is not defined as a project under CEQA and does not have the potential for causing a significant effect on the environment.

Honorable Housing Commissioners
May 27, 2009
Page 3

IMPACT ON CURRENT PROJECTS

The approval of the transfer of funds will allow the Housing Authority to satisfy Recommendation 1A and close out the OIG audit.

Respectfully submitted,

for 
SEAN ROGAN
Executive Director